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Weighing Scale

Liberty, Wall Street Push Consolidation, But Savings May Not Add Up

plus

TiVo: We'll Pay For R&D on RDK

Comcast Counters iTunes With Xfinity TV Store

Studios Slam Aereo To High Court


BBC
DOCTOR WHO
THE DAY OF THE DOCTOR
BBC
AMERICA
HIGHEST RATINGS EVER
#1 IN TWITTER ACTIVITY ON CABLE FOR THE WEEK
MORE THAN 3.9 MILLION VIEWERS
FOR 50TH ANNIVERSARY EPISODE
#1 CABLE ENTERTAINMENT NETWORK
IN SOCIAL MEDIA FOR THE WEEK

agenda

ONLINE VIDEO
MCN SNEAK PEEK
Check out a video clip of Lifetime's original telepic *Bonnie & Clyde*. Click through via **multichannel.com/Dec2.**

TiVo Considering A Play With RDK

BY JEFF BAUMGARTNER

"We have had a number of [cable operators] ask us to think about the RDK and talk to them about how our plans could dovetail with RDK deployments."

TOM ROGERS, TIVO

TiVo will set aside research and development dollars in the year ahead as the company considers whether to pursue a product strategy centered on the Reference Design Kit, a pre-integrated software bundle for IP-connected set-tops and gateways that's being pursued by some of the world's largest cable operators.

"We have had a number of [cable operators] ask us to think about the RDK and talk to them about how our plans could dovetail with RDK deployments," Tom Rogers, TiVo's president and CEO, said last week in an interview with *Multichannel News*. "It's becoming more part of our overall R&D planning as we continue with those discussions."

Aimed at accelerating product development cycles and achieving a level of openness among set-top vendors, the RDK relies on a common set of software components. The RDK, now managed by Comcast and Time Warner Cable, has already attracted more than 80 licensees, including box suppliers such as Arris, Cisco Systems, Humax and Pace.

TAKEAWAY

An RDK strategy could help TiVo port its user interface and apps to boxes and gateways that adhere to the platform, which in turn could better position it to win new business with MSOs.

Pursuing an RDK strategy could help TiVo port its user interface and apps to boxes and gateways that adhere to the platform and, perhaps, put it in a better position to win business with major cable operators that are using or planning to use the RDK.

Comcast already uses RDK-powered boxes for its new X1 platform, and Time Warner Cable plans to adopt the RDK in its new generation of video hardware. Liberty Global, which has a relationship with TiVo by way of Liberty's recent acquisition of U.K.-based operator Virgin Media, plans to lean on the RDK for a new cloud-based interface that will work with its IP-capable "Horizon" video platform.

"Obviously [the RDK] is an area that Liberty Global is particularly focused on," Rogers said. "Therefore, it's a very important way that we can look to foster a further relationship with them."

TiVo hasn't cemented an RDK product plan, but this marks the first time the company has shown outward interest in it. Historically, Pace has relied on its own Hardware Porting Kit to deliver its UI and apps on third-party hardware. Pace, Cisco, Samsung and Technicolor have licensed TiVo's HPK.

Elsewhere, Rogers said TiVo's relationship with Charter Communications remains in a holding pattern as the cable operator pursues a cloud-based UI that can run on its legacy set-top base and an IP-connected "World Box" that's under development. Charter had offered leased TiVo Premiere HD-DVRs in one market, Ft. Worth, Texas, but stopped supporting that option in September.

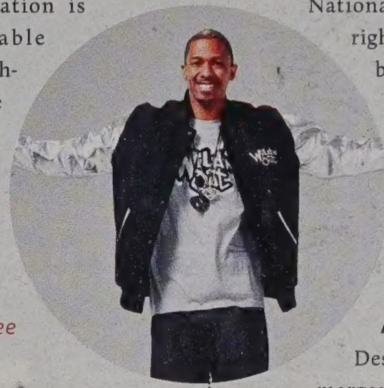
"The bottom line is we're still in discussions with them," Rogers said of TiVo's relationship with Charter.

FINANCIAL SNAPSHOT

TiVo added a record 295,000 subscribers from its pay TV partnerships in the third quarter, ended Oct. 31, extending its total subscriber base to 3.9 million, up 32% year-over-year. The company ended the period with 960,000 direct subscribers and 2.93 million subscribers via its MSO deals.

Net income for the third quarter was $12.5 million (10 cents per share) on revenue of $117.3 million. While that was above the guided range of $6 million to $8 million, it was well off year-ago net income of $59 million, which included proceeds of $78.4 million related to TiVo's settlement with Verizon Communications. ◘

10 STORIES THAT MATTER



1 *Weighing Scale*
Deal speculation is sending cable stocks ever higher, but if the end result is creating a massive operator, the benefits may not be worth the price (see page 8).

2 *Mezzanine View*
A new set of specifications from CableLabs hopes to simplify the delivery of on-demand video to multiple platforms (see page 6).

3 *'Soul Train' Driver*
Nick Cannon, fresh off the *TeenNick HALO Awards* telecast, talks with R. Thomas Umstead about his plans to revive a music franchise (see page 10).

4 *General-Market Values*
Some outdoor-sports channels are trying to tap into the popularity of shows such as *Duck Dynasty*, while others are emphasizing their sports roots (see page 12).

5 *Cheers for Pacquiao*
Read why Manny Pacquiao's unanimous victory over Brandon Rios in the boxing ring is good for pay-per-view providers (see multichannel.com/Dec2).

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National Hockey League rights in Canada have been sewn up by the country's top cable provider, Rogers, for close to $5 billion (see page 4).

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Despite the talk of big mergers in the cable industry, a new forecast predicts a rise in lower-profile transactions in mobile networking (see page 24).

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Technology columnist Leslie Ellis identifies the platforms that once had such potential but are now, in a word, over (see page 25).

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ESPN's *Monday Night Football*, AMC's *The Walking Dead* and Hallmark Channel movies were among the monthly viewing highlights (see page 30).

10 *Rotisserie Dreams*
A veteran Canadian television executive has his eye on U.S. fantasy-sports players, and advertisers that want to reach them, with a new network planned for 2014 (see page 34).

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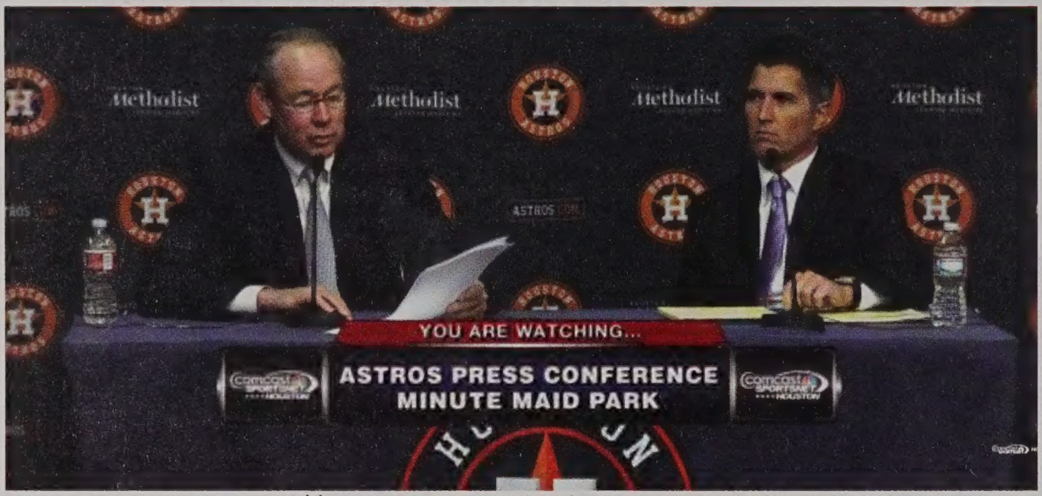
ASTROS OWNER CALLS TV DEAL 'A BUST TO DATE'



CSNHOUSTON.COM

Houston Astros owner Jim Crane (l.), at a Nov. 22 press conference that was streamed over the CSN Houston website, read a statement about the team's lawsuit over its TV contract.

BY MIKE REYNOLDS

The complicated situation with Comcast SportsNet Houston has gotten even messier, now that the Houston Astros owner has gone to court and publicized his grievances.

On Nov. 22, two years to the day after he bought the team, Astros owner Jim Crane presided over a press conference at Minute Maid Park discussing the litigation he has brought against the club's former owner and Comcast/NBCUniversal over the struggling RSN, which is available to only 40% of the Houston DMA within its five-state trading area and is in the midst of a bankruptcy proceeding.

> **TAKEAWAY**
>
> The owner of the Houston Astros has lashed out at his partners in Comcast SportsNet Houston, claiming the joint venture has lost the baseball franchise "tens of millions, perhaps hundreds of millions of dollars."

The Astros own 46% of CSN Houston with the NBA Rockets controlling 32% and Comcast/NBCU the balance.

Crane, whose presser was streamed on CSN-Houston.com, called the TV deal "a bust to date." In the suit, filed on Nov. 21 in the 80th Texas State District under Judge Larry Weiman, Crane claimed that former Astros owner Drayton McClane, Rockets owner Leslie Alexander and Comcast/NBCU had constructed a fraudulent business plan for CSN based on inflated monthly subscriber-fee rates.

As a result, the Astros have "lost tens of millions of dollars, perhaps hundreds of millions," Crane said.

Aside from Comcast, CSN Houston has only been able to reach affiliate deals with a handful of smaller providers. DirecTV, Dish Network, Time Warner Cable, AT&T U-verse, Verizon FiOS and Suddenlink Communications are all on the distribution sidelines.

As a result, the RSN, which has reportedly seeking a monthly subscriber fee of $3.40, has been unable to meet its rights-fee obligations.

At the request of the Rockets, which added the talented-but-temperamental Dwight Howard to its roster during the off-season, CSN Houston recently extended a 45-day freeview offer — a span that would have encompassed about two dozen of the club's games — but it was met with deaf ears by the distributors and withdrawn.

Four Comcast-related entities on Sept. 27 filed for an involuntary petition for Chapter 11 bankruptcy protection for the RSN. U.S. Bankruptcy Judge Marvin Isgur has delayed ruling on the Astros' motion to dismiss the case and Comcast's motion to name an interim trustee for the network, while giving Crane until Dec. 12 to build a new business plan that can make the network profitable.

Houston SportsNet Finance, which loaned CSN Houston $100 million to build a studio and for startup costs, indicated during the initial filings that it would be willing to buy the RSN. Rockets owner Alexander expressed a similar sentiment during a Nov. 21 bankruptcy status meeting among the parties.

The rising cost of sports license fees has made RSN carriage far from the slam dunk of the past. Dish Network is not carrying Time Warner Cable's two Los Angeles Lakers-centric networks, and DirecTV remains on the outside with the Pac-12 Networks. FS San Diego, which covers MLB's San Diego Padres, has still not come to terms with Time Warner Cable. Meanwhile, CSN Northwest recently inked a deal with Charter Communications, but has not been able to bridge differences with DirecTV and Dish Network. Still, most RSNs operate smoothly and profitably for their owners.

Rogers Locks Up NHL in Canada

BY MIKE REYNOLDS

In what could be a transformative deal north of the border, Rogers Communications, Canada's largest cable operator and owner of Rogers Sportsnet, has netted a 12-year, $4.9 billion ($5.2 billion Canadian) media rights pact with the National Hockey League.

Likened to Fox wresting National Football League rights from CBS in the 1990s, the pact, announced Nov. 26, ices rival BCE's TSN out of national NHL action well into the next decade.

The national pact, subject to approval at an NHL board of governors meeting on Dec. 9 and 10, begins with the 2014-15 campaign and extends through 2025-26. The deal, which encompasses regular-season games, playoffs contests and the Stanley Cup Final for its Sportsnet linear services, also gives Rogers rights across TV Everywhere, wireless, tablet, terrestrial and satellite radio, and Internet streaming platforms. Sportnet previously held NHL national TV rights from 1998-2002.

AARON HARRIS/REUTERS/NEWSCOM

NHL commissioner Gary Bettman (r.) and Rogers CEO Nadir Mohamed announced the Canadian MSO's 12-year exclusive NHL TV rights deal on Nov. 26.

Reflective of Canadians's passion for hockey, the deal is the largest ever signed by the NHL, averaging about $408 million annually. That's up from the $160 million CBC, TSN and French-language RDS are allocating annually under their six-year pacts that conclude after the 2013-14 season.

Moreover, the Rogers deal dwarfs the $2 billion that NBC Sports Group is paying the league in a 10-year U.S. rights pact now in its third season. Rogers' Canadian rights contract should also help the NHL push closer to its goal of $4 billion in annual revenue over the next three years, with 25% coming from national streams.

Under the pact, Canadians will receive more NHL games than ever before, which figures to drive more subscribers to Rogers' wireless and cable assets, including its City and Sportsnet vehicles. The deal guarantees no further regionalization of games or local blackouts wll take place. Rogers has three exclusive windows to broadcast any game involving a Canadian team on Wednesday, Saturday and Sunday nights.

The deal freezes TSN — the venture between BCE's Bell Media unit and ESPN — from national NHL rights that have been a centerpiece since 2002. TSN and TSN2 are scheduled to air 150 NHL regular-season games in the 2013-14 campaign. TSN's extant regional deal remains intact. Some believe the loss of national NHL product could result in a reduction in TSN's monthly license fee.

Rogers has also reached a four-year sublicensing deal with CBC, which retains the *Hockey Night in Canada* franchise, albeit with competition from Rogers properties, as well as playoff action, including the Stanley Cup Final. CBC has been airing *Hockey Night* since 1952, but the future of fabled announcer Don Cherry remained unclear at press time.

Rogers has also inked a sublicensing deal with TVA for all national French-language multimedia rights, which will provide content for parent Quebecor's cable and wireless systems throughout Quebec. BCE's RDS French-language service will also be out of the national NHL mix when the rights agreement goes into effect next season.

Comcast Takes on iTunes With 'Xfinity TV Store'

PLATFORM OPENS FOR BUSINESS ONLINE, ON SET-TOPS

BY JEFF BAUMGARTNER

Comcast has entered the hyper-competitive electronic sell-through (EST) market with the debut of the Xfinity TV Store, a new service offering the direct sale of movies and TV shows via the Web and set-top boxes.

Although Comcast enters that market with a built-in base of about 21.6 million video subscribers and more than 20.2 million broadband customers in tow, it will be playing from behind. Way behind.

> **TAKEAWAY**
>
> Comcast has become the latest entrant in the crowded online TV and movie market with the opening of its Xfinity TV Store.

In 2012, Apple's iTunes Store was by far the dominant player in EST video, representing 65% of the movie market, and 67% of the market for TV shows, according to The NPD Group. For the period of June through August of this year, the iTunes share of the EST movies market was a still-commanding 61%, followed by Amazon Instant Video (15%), the Sony PlayStation Store (7%), Vudu and Xbox Video (4% each) and Google Play (3%). The EST market also includes the recently launched M-GO and Target Ticket services.

FIRST MSO IN EST

Comcast is the first incumbent U.S. cable operator to launch an EST service. Verizon Communications's FiOS TV platform has been in the game since 2010 with Flex View, an EST and video-on-demand multiscreen service that now touts a for-sale library of more than 10,000 movies and north of 30,000 TV shows, according to the company.

Comcast's Xfinity TV Store offered a much smaller library as of Nov. 22 — at least 170 movies and just seven TV series (*Bates Motel, Chicago Fire, Covert Affairs, Grimm, Hannibal, Mad Men* and *Suits*) — but expects to expand that total rapidly.

In the early going, Comcast allows customers to buy movies and TV shows via the set-top box and its Web-based store (www.xfinity.com/store). The operator has also launched the Xfinity On Demand Purchases app for iOS and Android devices that plays back purchased titles, but does not yet enable in-app purchases.

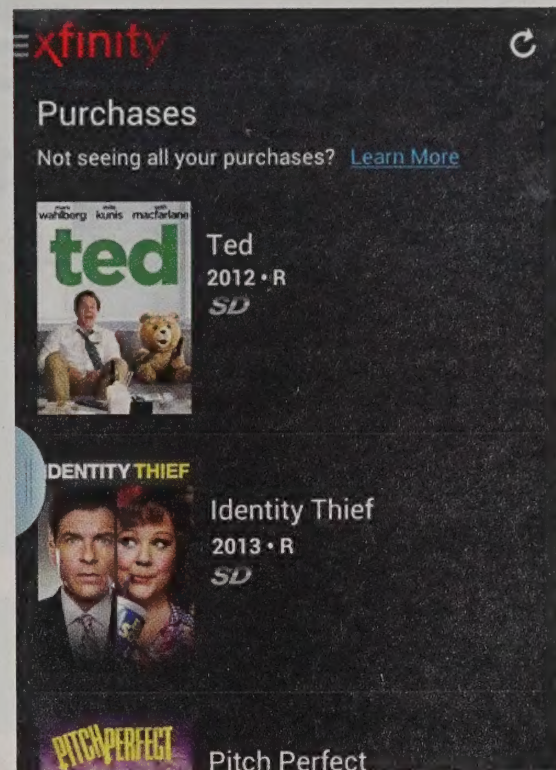
Customers are allowed to stream purchased titles on up to three devices, such as computers, mobile phones or tablets, at any given time, according to Comcast. Up to three different devices can be registered to a customer's account to download purchased movies for playback while on the go.

Although Comcast won't overtake any of the existing EST video players anytime soon, Verizon's work in the market shows that pay TV operators can build some tangible financial benefits with just a small fraction of the market.

FLEX VIEW LESSONS

Verizon has seen the average EST revenue per FiOS TV customer quadruple since the company first launched the product in 2011, spokesman Bill Kula said. "From our research, FiOS customers who use Flex View on demand are three times less likely to churn than customers who do not use the service," he said.

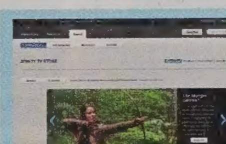
The telco had about 1% of the EST movie market on a national basis, according to NPD Group EST data from June through August of this year, the first report from the researcher to include Flex View data (at Verizon's request). It had a 6% share in the FiOS TV footprint, but not among FiOS customers, Kula said. "Assuming an average 35% market share, the 6% translates to a 17% market share among FiOS TV customers," he added.



Comcast's Xfinity TV Store app lets customers play back their purchased TV shows and movies.

Kula said Verizon's biggest EST growth spurt occurred in the second half of last year, when studios began to support windows that made titles available for electronic sale before they were available for rent or purchase on DVD or Blu-ray. Comcast's new store will also benefit from the earlier EST window. ◘

MORE ONLINE



To visit the Xfinity TV Store, click through via multichannel.com/Dec2.

Comcast, Twitter Go Social With 'SEEiT'

BY JEFF BAUMGARTNER

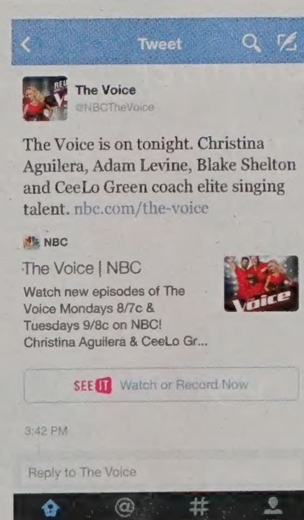
Comcast's attempt to build viewership ratings through the use of social media officially got underway late last month with a big Twitterverse push to debut "SEEiT," a feature that essentially turns a Twitter "card" into a virtual remote control that can tune directly to a channel, set up a DVR recording or fire up a TV Everywhere application.

In its initial "preview" form, the SEEiT button has begun to appear in the Twitter app for iOS-powered devices for a select number of shows on NBCUniversal channels, including Syfy's *Haven* and *Naked Vegas*.

Now, when Comcast TV subscribers click on a tweet with the embedded SEEiT component, they'll be presented with a menu of options, including the ability to tune directly to the channel if the show is currently airing, set a DVR recording for later viewing, watch on video-on-demand or jump directly to a TV Everywhere app. Among the SEEiT features marked as "coming soon": the ability to set reminders and to receive text messages when specific shows are airing.

Twitter is the launch partner for the Comcast-developed SEEiT platform. Comcast Cable's chief business development officer, Sam Schwartz, told *Multichannel News* in October that the SEEiT button will eventually show up on other apps and websites.

The SEEiT button is expected to show up more frequently on Twitter in the weeks and months ahead, as it will also be used to promote other networks and shows from the NBCUniversal stable, including NBC's *The Voice, The Blacklist, Chicago Fire, The Michael J. Fox Show, Sunday Night Football* and *Today*; USA Network's *Psych* and *Suits;* and the upcoming coverage of the Sochi Olympics.



NBCUniversal is embedding a "SEEiT" button into tweets for select shows to drive users to watch or record them on the spot.

SEEiT will eventually support additional shows from CNBC, MSNBC, Bravo, Oxygen, E!, Esquire Network and The Golf Channel. Comcast said it is working on SEEiT deals with other programmers.

Time Warner Cable has said it's looking into supporting SEEiT, but has not announced any formal commitment. ◘

CableLabs Spec Aims to Simplify Multiscreen VOD

UNIFIES ENCODING OF 'MEZZANINE' VIDEO FILES

BY JEFF BAUMGARTNER

With the introduction of TV Everywhere services and the growing popularity of tablets and other IP-connected devices, video-on-demand has become an increasingly complicated world for cable operators.

No longer do MSOs merely have to worry about the relatively simple task of delivering on-demand fare to set-top boxes in standard- and high-definition format. They must also prepare high-quality Internet-protocol video streams that can reach tablets, PCs, smartphones, specialized streaming boxes and gaming consoles.

TAKEAWAY

A new CableLabs encoding spec will help cable operators navigate the various file formats of an increasingly complex VOD landscape.

ENCODING AID

To help operators and programmers simplify the initial process of reaching all of those video platforms — and to extend a bridge between the old QAM world and the new IP multiscreen realm — CableLabs has recently completed a set of specifications that essentially unify how the primary "mezzanine" file of a title is encoded before it is transformed or chopped up into a multitude of formats that can then be shuttled along to set-top boxes and other types of consumer electronics devices.

When boiled down, the new spec offers cable operators and their programming partners a uniform way to encode the master-like, nearly pristine mezzanine copy of a movie or TV show before it heads to multiple types of devices that are receiving it on a managed network or over-the-top via a best-effort Internet connection.

Vubiquity, for example, currently builds 15 different playback formats from one mezzanine copy of a movie or TV show, according to Dave Bartalone, senior vice president of technology. That total includes four video profiles for use by QAM-based set-tops (SD and HD constant bit-rate streams delivered in MPEG-2 and MPEG-4), as well as 11 profiles for IP devices that use adaptive bit rate, a technique that varies the bit rate based on the amount of bandwidth that's available while also supporting a variety of resolutions and screen sizes — from big screen TVs to handheld smartphones.

Published by CableLabs on Oct. 21, the new Mezzanine Encoding Specification defines a common way to ingest file-based, VOD content to be used across IP and QAM delivery platforms.

"The goal in all included scenarios is to deliver the highest-quality video available based on the originally produced content type, bit rate and codec," the specs explain. "The formats are defined so as to obtain the best resultant quality across a number of distribution methods."

The encoding specs are flexible in that they currently support multiple resolutions for HD and SD in three broadly used codecs: MPEG-2, H.264/AVC, and ProRes, a high-quality video compression format developed by Apple (see table).

Creating uniform specs with a degree of flexibility should "contain the potential chaos" for a cable industry-friendly mezzanine file, Bartalone said, noting that Apple, Amazon, Hulu, Netflix and other over-the-top players all use separate mezzanine requirements.

The spec "sets the bar for quality of content," Mark Francisco, fellow of premises technologies for Comcast Cable and one of its key contributors, said. "We wanted to make it as easy as possible for [programmers] because we are asking them for a higher-quality source. We can start with the same asset and deliver it to your PC as we can to your TV."

Mapping the Mezzanine

HD Video-Encoding Parameters

PROFILE	MPEG-2	AVC	PRORES
Bit Rate (Peak)	50 Mbps	50 Mbps	--
Bit Rate (Minimum)	35 Mbps	20 Mbps	23.976 fps @117 Mbps 29.97 fps @147 Mbps 59.94 fps @293 Mbps

SD Video-Content Encoding Bit Rates

PROFILE	MPEG-2	AVC	PRORES
Bit Rate (Peak)	35 Mbps	35 Mbps	--
Bit Rate (Minimum)	25 Mbps	15 Mbps	24 fps @ 34 Mbps 30 fps @ 42 Mbps

SOURCE: CableLabs

Bringing some commonality to that mezzanine format will also reduce storage costs. "It avoids the situation where we would be encoding the same content twice," Francisco said.

But migrating to this common format is a work in progress. Comcast, for example, doesn't have all of its mezzanine content in compliance with the new specs yet, as some encoding requirements are written into carriage contracts and might, therefore, differ from the new CableLabs specs.

"I wouldn't say we're 100% cut over to it," Francisco said. "We're working on it on a programmer-by-programmer basis."

VOD JUST THE START

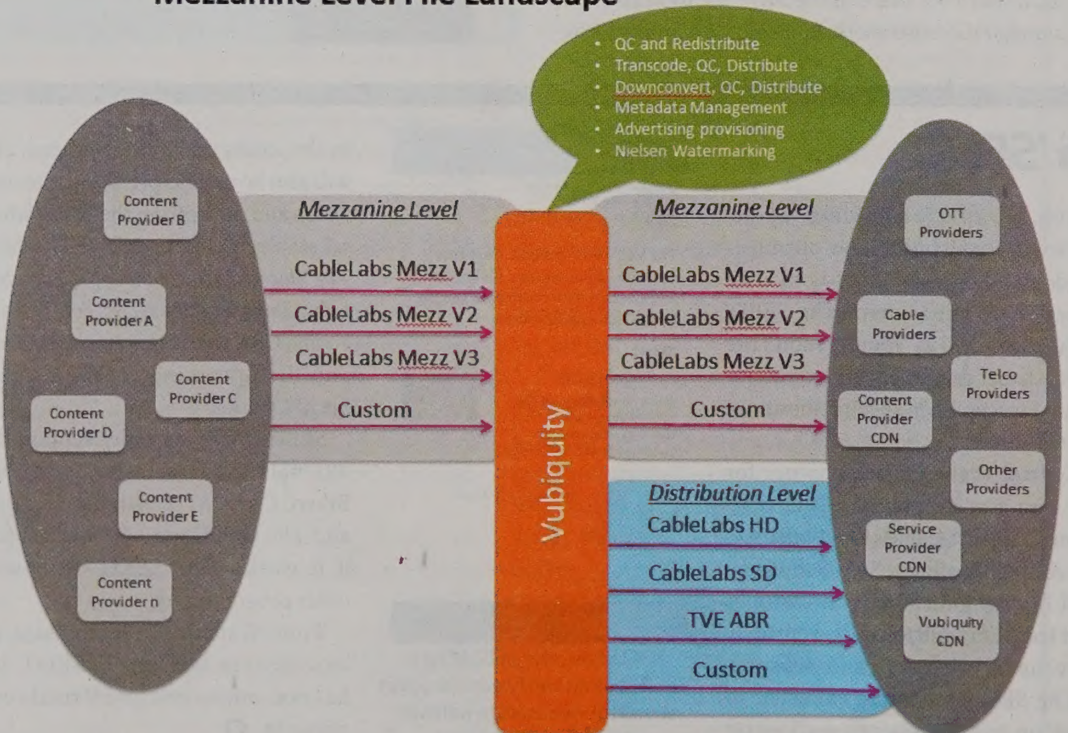
"I think there will be wide adoption of these specifications," Bartalone said. He pointed out that Vubiquity has been certified by one unnamed cable operator for the new CableLabs encoding specs.

Creating a common mezzanine format for VOD is just the start, as operators and programmers continue to launch authenticated TV Everywhere apps that deliver live TV feeds both inside and outside the MSO's footprint.

Francisco said he has also started work on a common encoding spec for linear video delivery, but acknowledged that adhering to blackout rules and supporting dynamic ad insertion make that effort a more imposing technical challenge.

"But it's natural that you'd want to set the [quality] bar for live content, too," he said.

Mezzanine Level File Landscape



Vendor Vubiquity can build content in 15 different playback formats from a single master mezzanine file.

DOES SIZE REALLY

LIBERTY, WALL STREET PUSH CONSOLIDATION, BUT ECONOMIES OF SCALE MAY NOT ADD UP

BY MIKE FARRELL

In the next several weeks, what has long been a universal truth in the cable industry will be put to the ultimate test: Does scale really matter?

Charter Communications' pursuit of Time Warner Cable has entered what some consider to be the home stretch — Stamford, Conn.-based Charter is reportedly close to lining up bank financing for a deal, which some believe could result in a formal offer in the coming weeks.

In the meantime, TWC shares continue to soar purely on speculation — they rose 14% between Nov. 20 and Nov. 26 as Charter shares increased 7.2% in the same period — and Liberty Media chairman John Malone continues to extol the virtues of consolidation and scale economics.

TAKEAWAY

A combined Charter-Time Warner Cable may not create the economies of scale that deal proponents are pushing for.

Since Malone's Liberty Media, which owns a 27% interest in Charter, first broached the subject of a Time Warner Cable-Charter union in June — and was rebuffed by the larger cable operator — the industry has grappled with the scale question. Can simply being larger help solve the most pressing problems in the industry, such as rising programming costs, competition from over-the-top competitors and a dwindling customer base? Or will the more organic approach — focusing on selling more products to existing customers and exploring new customer avenues, like commercial services and home security — prevail?

Time Warner Cable chairman and CEO Glenn Britt has been squarely seated on the organic growth side, although he has said he would always be open to a deal at the right price that benefitted his company's shareholders.

BRITT: TERMS MATTER

On a conference call with analysts to discuss third-quarter results earlier this month, Britt addressed the consolidation issue.

"Consolidation can be a good thing, but the terms really matter," Britt said on the call, adding that succesful deals are done for several reasons: family-run businesses in which the children don't want to participate anymore, or smaller companies being acquired by larger firms with better scale economics. In other instances, companies have sold out because they amassed too much debt and couldn't finance the next capital cycle, or they were overly aggressive in the acquisitions market.

Britt harkened back to the split-off of Time Warner Cable from Time Warner Inc. in 2009, a period when many in the investment community expected the pure-play cable operator to go on an acquisitions spree. While TWC has done some deals — it acquired Insight Communications in 2011 for $3 billion — a spree never materialized.

"And why is that?" Britt said on the call. "Well, we certainly believe there are benefits to consolidation. However, we also believe that those benefits are pretty finite and easily knowable."

It's a basic law of economics that the biggest company in any business sector enjoys financial benefits from lower costs for supplies and equipment, and greater efficiencies in introducing new products and services. And in the past, it was those kinds of scale economics that helped drive consolidation in the industry.

Back in the late 1990s, the industry consolidated from dozens of fragmented independent operators to a handful of tightly clustered MSOs. Comcast, Time Warner Cable, Charter and Cox Communications all swallowed up larger and smaller systems to consolidate their bases, which helped keep down costs for network upgrades, programming and equipment. Tighter clusters and more customers meant that operators could also roll out new products more efficiently, market them more effectively and maintain them more expertly.

But as with all maturing industries, a point comes when getting bigger doesn't tip the scale that much in your favor. Some say even a rumored union of Comcast and Time Warner Cable, which would create a 34 million-subscriber behemoth that would have extreme difficulty passing regulatory muster, wouldn't tip the programming cost scales dramatically.

Part of the reason is that as distributors have bulked up, so have programmers. In a research report last week, Sanford Bernstein media analyst Todd Juenger noted that nine companies — Discovery Communications, Viacom, The Walt Disney Co., Twenty-First Century Fox, Scripps Networks, Time Warner Inc., CBS, AMC Networks and Comcast's NBCUniversal — control 90% of the professionally produced content in the U.S. And no distributor, according to Juenger, has ever been successful for a sustainable period without carrying all nine.

PROGRAMMERS ARE BIGGER, TOO

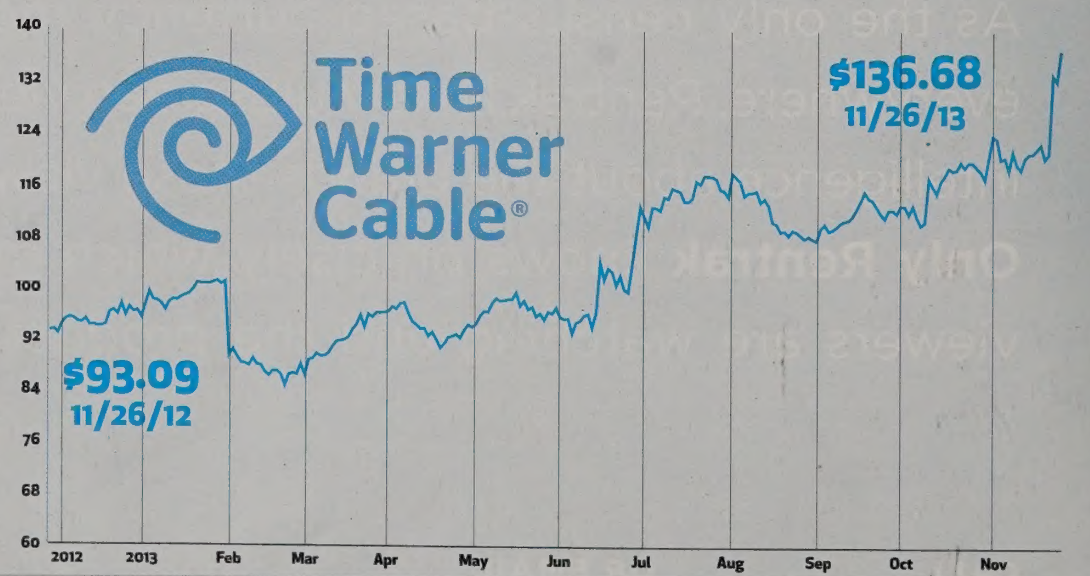
Distributor consolidation would most benefit the smaller operator, as their programming costs would likely revert to the larger operators' costs in the event of a merger, according to Juenger. But that would even out over time.

Juenger noted that cable operators don't overlap geographically and that consumers generally have at least four distribution options for programming — one cable operator, two satellite providers and a telco or overbuilder — which limits negotiating power even for a large cable company.

"Cable consolidation by definition does not change the number of choices of pay TV providers for (almost) any household in this country, and

Deal Dynamics

Time Warner Cable shares have soared more than 40% since June, when Liberty Media first approached it about a possible merger with Charter Communications. And despite some choppy operational results in the past four quarters, the stock has appreciated about 47% in the last 12 months.



SOURCE: NASDAQ website

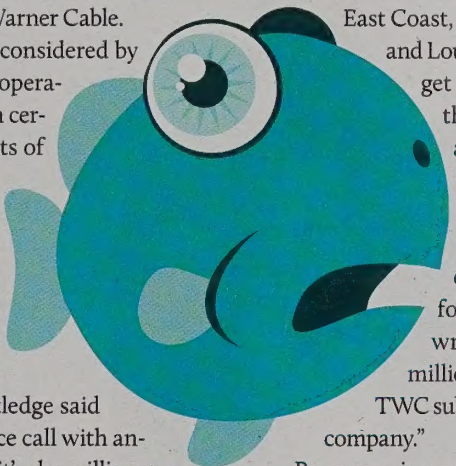
MATTER?

therefore doesn't change the balance of negotiating power between distributors and content owners," Juenger wrote.

MoffettNathanson principal and senior analyst Craig Moffett worked out the programming cost numbers for a Time Warner Cable-Charter deal in a September note to clients and reached the same conclusion. In his report, Moffett noted that Charter's average programming cost per customer, per month was about $40.66, while TWC spent about $32.36 per subscriber per month on programming.

A combined TWC-Charter would pay about $33 per customer per month for programming, Moffett estimated — a savings of $7 per month ($337 million per year) for Charter, but pretty much status quo for Time Warner Cable.

Even Charter CEO Tom Rutledge, considered by many to be one of the most talented operational executives in cable, doesn't seem certain on the programming-cost benefits of scale. Moffett said in his report that Rutledge bases his hypothetical M&A decisions partly on whether he can run a targeted business better.



"If you get to a certain scale, you have a different form of leverage in programming negotiations and you could argue about where that is," Rutledge said on Charter's second-quarter conference call with analysts in August. "And it's not just scale, it's also willingness to use that scale to affect your outcome, and how much you need or how big you need to be is a difficult question to answer."

Others believe that Charter has a better chance in partnering with a larger operator like Comcast on a bid. People familiar with the matter have said Time Warner Cable has reached out to Comcast in the past several months, and the nation's largest cable operator is contemplating either teaming up with Charter on a joint bid for TWC or formulating a standalone bid for the operator.

Most analysts believe a solo Comcast bid for TWC would be tough to get past regulators — the combined company would control 60% of the cable footprint and 33% of total TV households.

Wells Fargo media analyst Marci Ryvicker, in a research report last week, mapped out her scenario for a joint Charter-Comcast bid for TWC that would literally split the company down the geographic middle. In a joint bid, Comcast would receive 7.4 million TWC customers on the East Coast, including New York, Cleveland and Louisville, Ky; while Charter would get 4.5 million TWC customers in the West, including Los Angeles and Dallas, according to Ryvicker's report.

While Charter would get a smaller slice of the pie, which could leave the operator's need for scale unsatisfied, Ryvicker wrote, "Our view here is that 4.5 million TWC subs are better than no TWC subs at all — plus it does double the company."

Programming-cost reductions wouldn't motivate Comcast to do a TWC deal — it already gets the best rates in the country — so bulking up to nearly 30 million customers would be the main benefit from a union. Juenger argued that the programming costs could even be worse for Comcast in a deal.

As part of the concessions it made to the federal government to approve its acquisition of NBCUniversal, Comcast agreed not to favor its own networks over any other. That effectively removes Comcast's ability to drop another network.

"If Comcast doesn't have a credible ability to drop networks, it has no real teeth to push back on price," Juenger wrote.

While scale economics don't seem to favor consolidation, plain old business economics could throw a wrench into a Charter-TWC union.

Moffett argued that to handle the additional leverage needed to get the deal done — he estimated that the combined company would have about $64 billion in long-term debt, or 6 times cash flow — it would have to improve TWC's operations significantly.

BIG DEBT BURDEN

Moffett estimated that to service the debt, Charter would have to increase TWC's cash-flow generation by about 19%. The second-largest MSO has averaged about 6.3% cash-flow growth for the past three years.

"Rutledge is the best operating executive in the cable industry," Moffett wrote. "But achieving such benefits may prove challenging even for someone with his level of talent."

Not everyone shares that view. Pivotal Research Group principal and senior media & communications analyst Jeff Wlodarczak estimated that a combined Charter-TWC would be levered at about 5 times cash flow, a level he said he considers extremely manageable.

The debt markets are still attractive enough that the combined company could strike deals that mature at longer terms at relatively attractive rates, Wlodarczak said, adding that TWC generates a large amount of free cash flow, which could be used to pay down debt, and Charter has a substantial amount of net operating loss carryforwards (more than $8 billion), which could be used to offset taxes.

"TWC generates sizable free cash flow and operates a very defensible business," Wlodarczak said.

Despite the presence or lack of synergies, the structure of the deal would also play a huge role in whether it got accepted. At $150 to $160 per share, an offer for TWC would consist of at least $90 per share in cash — a minimum requirement by some TWC investors — with the rest consisting of stock and possible equity investment from third parties, according to reports. The stock component is a crucial element, some observers have said, because shares of both companies have risen more than 30% in the past six months solely on the hopes a deal would be done.

"There is a huge challenge that the TWC board would have to get comfortable with in terms of the capital structure and the currency they will be taking back," said a former investment banker familiar with both companies who asked not to be named.

"What they are saying to their shareholders is, 'Here's a piece of paper that is three times levered and is growing fairly well versus a piece of paper that is 5.5 times levered in exchange for that,'" the banker said. "Yes, it's going to grow a little faster, but the only reason it's growing a little faster is because all of the markets that they just acquired were: one, markets they passed on before and, two, are underpenetrated because they weren't run well. That's a hard thing for a board to say they should be jumping up and down for."

Charter Flight

While Charter's recent gains have been more temperate — up 22% since June 13 — the stock has been the top performer in the cable sector over the past 12 months, up 93% via a mixture of deal speculation and the hope that CEO Tom Rutledge can grow the smal-market operator's product penetration levels toward industry norms.

Source: NASDAQ website

Nick Cannon Keeps Busy Across the Dial

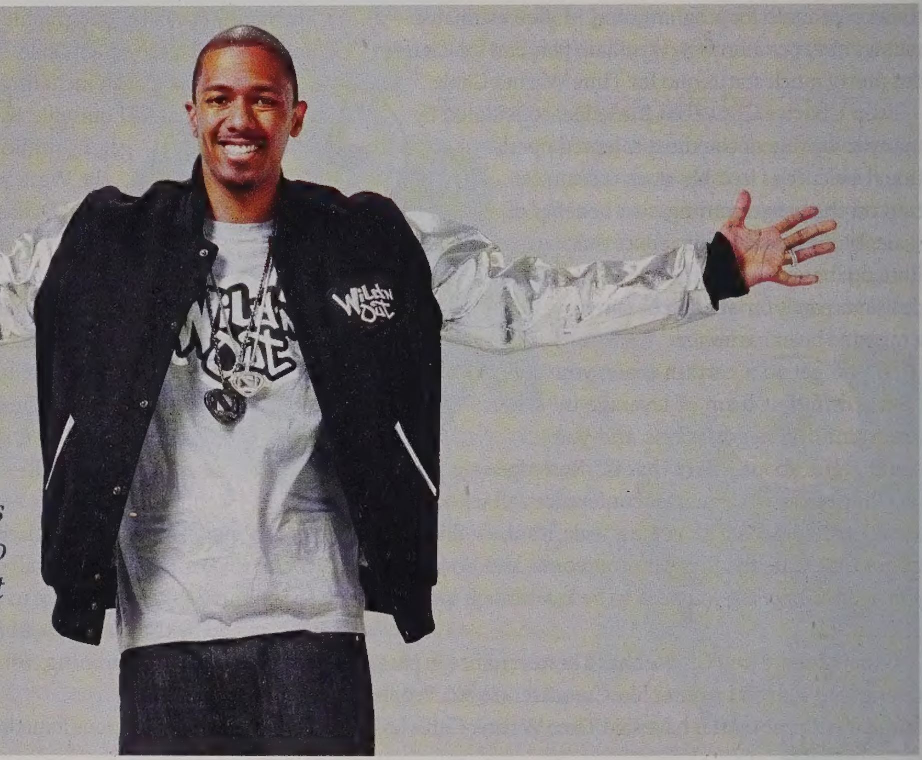
'HALO AWARDS' HOST'S NEXT PROJECT: RESTARTING 'SOUL TRAIN'

Q&A

Actor/producer Nick Cannon wears a number of hats in the television business. He stars in BET's comedy series *Real Husbands of Hollywood*; he hosts NBC's variety series *America's Got Talent*; he produces MTV2's improv comedy show *Wild N' Out*; and he serves as honorary chairman of Nickelodeon's TeenNick cable network targeted to young adults 14 to 17, as well as the producer of its annual *TeenNick HALO Awards*, which honor teens for their community service.

In a recent Showtime standup comedy special, *F#ck Nick Cannon*, he responded to detractors and discussed his personal life, including his marriage to songstress Mariah Carey. Oh, and he's resurrecting one of television's most-revered music franchises, *Soul Train*, in 2014. The 33-year-old, who got his TV start on Nickelodeon's sketch comedy series *All That*, chatted with *Multichannel News* programming editor R. Thomas Umstead ahead of the Nov. 17 *TeenNick HALO Awards* telecast, which drew about 960,000 viewers on a live-plus-same-day basis.

MCN: You have your hand in so many different projects. How do you keep up your crazy, busy pace and how important is it for you and your brand to be involved in so many things across television?
Nick Cannon: It all seems like one task to me, even though it's a bunch of different things put together. It's just the way I was built. I always have to be multi-tasking and to have a bunch of things going on to be able to focus better. I probably would do this no matter what field of work I was in. Also, having a good team around you also helps more than anything.



"Just being a content provider right now is important, because there are so many new avenues and so many new ways to display your content — it makes the playing field more even."

NICK CANNON

MCN: The *TeenNick HALO Awards* is now in its fifth year. How would you characterize the franchise's growth?
NC: It started off as an idea where I wanted to provide an opportunity to shine a light on the good things that young people were doing in their communities and using the power of corporation and celebrity to focus on the things that really matter the most. These teenagers are really changing the world, so from there it's turned into this huge show. This year is the first year we're airing live, and the scholarships allow the teenager to continue their mission — we call it the "halo effect," because its gets bigger and bigger and spreads out. We're excited about how the community comes together and represents for the young people.

MCN: As chairman of TeenNick, what are your plans for the network going forward?
NC: We're still going forward and we've got a lot of new, exciting stuff that we're developing now for 2014. We're all about standing for something as a brand and I think our brand stands for youth empowerment. I think we're the only ones making that statement in the cable community. So when you think about programming that you can get elsewhere we're kind of very specific on what we offer the community.

MCN: Besides the *TeenNick HALO Awards*, is there a particular show or franchise that you're working on that you're really excited about?
NC: I'm excited right now because I'm in my *Soul Train* office and looking forward to bringing that back at the top of the year, so that's really exciting.

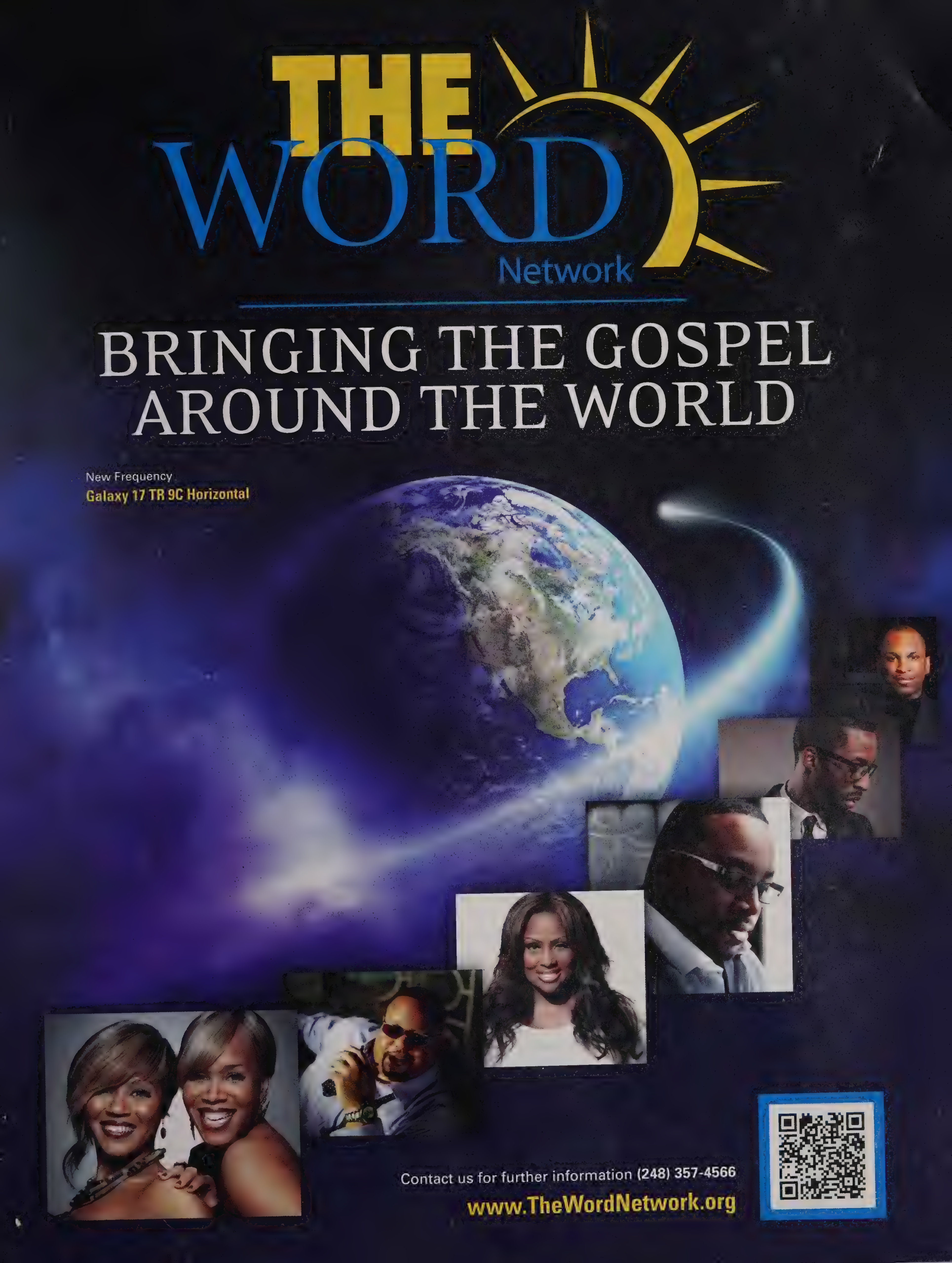
MCN: What was it about *Soul Train* that was attractive to you?
NC: It's just one of those brands that means so much to our culture that's missing on television right now. At the same time it's near a dear to my heart because when I was 15 years old I was actually a *Soul Train* dancer, so to be able to bring that franchise back full circle is something that's exciting. NBC is going to carry it, but for our second run we have our cable partners at Viacom that are just as important to the advertisers.

MCN: Are there any other projects that you want to work on?
NC: I directed and produced my first film for Lionsgate that will be coming out pretty soon, and I'm already looking forward to the next one after that.

MCN: When you do finally have some downtime, what's on your DVR?
NC: I like [TV One's] *Unsung* — I'm a big fan of that. I like [HBO's] *Boardwalk Empire*, *Eastbound & Down* — those types of shows.

MCN: As a producer/distributor, is this the best time to be a content provider given all the platforms where you can showcase your projects?
NC: Just being a content provider right now is important, because there are so many new avenues and so many new ways to display your content — it makes the playing field more even. Once before you had a couple of networks that made decisions, but now you can have a hit that's not necessarily on television, so there's a lot of fun, innovative and creative ways to get things going.

It's interesting: the focus used to be on the main three broadcast networks, but now that's no longer. There are more jobs and more opportunities for everyone. You have the landscape of cable, as well as the Internet, and people are thriving in all venues, so it's exciting.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Field-Sports Nets Broaden Their Scope

AIM: TO DRAFT OFF SUCCESS OF GENERAL-MARKET CHANNELS' OUTDOORSY FARE

BY STUART MILLER

In early 2013, the outdoor-sports genre was pondering a possible merger between two of its leading networks, Sportsman Channel and Outdoor Channel.

That's when Kroenke Sports & Entertainment swooped in and outbid Sportsman's parent, InterMedia Partners, to add Outdoor Channel to its holdings, which also include World Fishing Network (plus the Denver Nuggets and other sports assets).

Several months later, the shifting landscape is coming into focus, not just at Outdoor Channel but also at Sportsman, World Fishing Network and MAVTV. In the hunt for distribution and eyeballs, all of the outdoor sector's players are seeking programs that can broaden their appeal.

TAKEAWAY

Outdoor-sports networks are looking for growth with programs that appeal to fans of such shows as *Duck Dynasty* and *Deadliest Catch*.

While they pledge fealty to their loyalists, outdoor networks are shifting focus beyond staple shows to build series that tap into the success of shows on general-market channels such as Discovery Channel's *Deadliest Catch* and A&E's *Duck Dynasty* — programs that were arguably influenced by the outdoor networks themselves.

Pursuit Channel and the tiny Hunt Channel, meanwhile, are sticking to old-school approaches.

CHANGING VIEWERS' IDEAS

Outdoor Channel CEO Jim Liberatore is making a "big push" to shake off the "preconceived ideas about who we are" in programming.

The network already features shows — such as *Gun Stories*, starring actor Joe Mantegna, and survival show *Trip Gone Bad* — with the same feel as popular programs on History of Discovery Channel, Liberatore said.

"These shows have not been backed as well as they could have been," he said. "They have not had the megaphone they needed until now."

He added: "We have the shingle out on the door for producers, but we are not waiting for them to come to us — the concepts are coming from us and we are going out there aggressively."

But Outdoor won't short shrift its hard-core hunting and fishing fans. "We can grow this space without alienating anyone," Liberatore said.

The same philosophy pervades World Fishing Network, now Outdoor's sibling, network president Kim Carver said. "In January, we looked at our programming and decided we didn't just want to be 'two men in a boat' programs, that we needed to shift gears and shake things up. We looked at what we want our brand to be and it's about fishing but also conservation, family and travel, so now we're looking at all new programs through that filter."

WFN's landscape now encompasses newsmagazine *World Fishing Journal* and travel-oriented *Destination Spain*, and Carver is planning for some semi-scripted reality shows and competition challenges.

Sportsman Channel is not getting left behind as the landscape evolves, CEO Gavin Harvey said. "We are redefining what the category is about," he said. "We are adding high-quality lifestyle and reality shows, docu-tainment."

Harvey points to a program like *Aporkalypse*, which features Ted Nugent on a feral hog hunt. It broke into the top 15 in men 18-49 among all cable networks, Harvey said, even though Sportsman is in fewer than 40 million homes.

"We are redefining what the category is about. We are adding high quality lifestyle and reality shows, docu-tainment."

GAVIN HARVEY, SPORTSMAN CHANNEL

Shows like the history-oriented *Guns & Gold* or *Meet the McMillans*, about a hunting and outfitting family, demonstrate "we can do great programming that has a wider interest but our core audience will watch because it is better and more authentic than what you find on the bigger networks, where some of their shows look a little like freak shows," Harvey said.

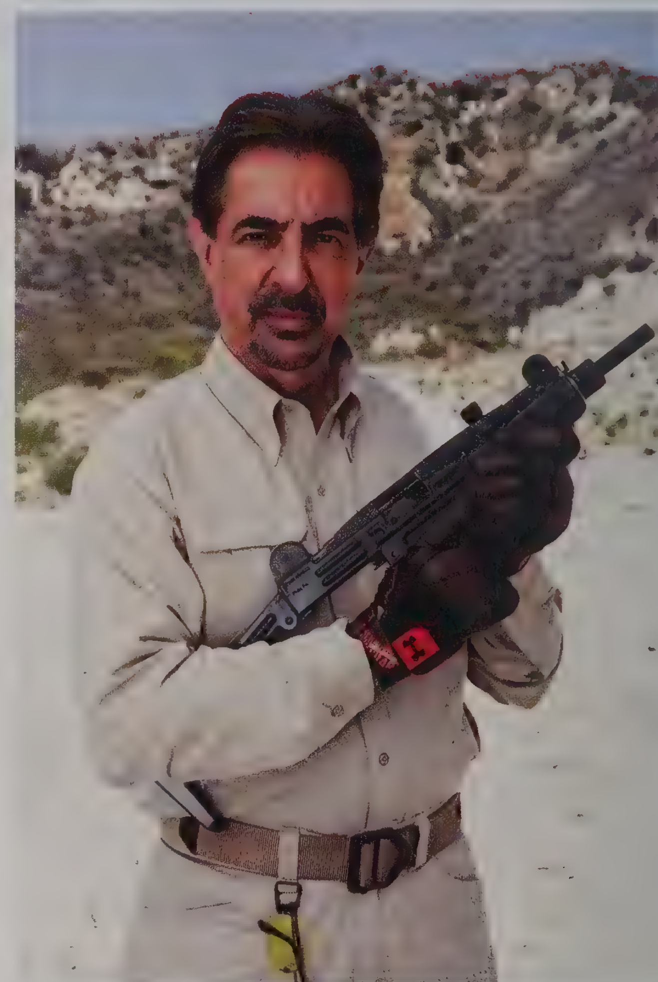
According to MAVTV president Bob Patison, a network doesn't need to be a pure outdoor network to prove its bonafides.

MAVTV was taken over by Lucas Oil two years ago and now devotes much of its programming to motor sports. But it has consciously balanced that with programming with the "action and adventure non-fiction reality" genre.

"There is a healthy crossover" between racing fans and viewers for *Dangerous Waters* (a jet-skiing show) or *Epic Conditions*, Patison said. He said the network will introduce a dozen new shows over the next eight months, split about 50/50 between racing and action/adventure.

LEAVE REALITY TO OTHERS

Pursuit CEO Rusty Faulk said some shows, like *Duck Dynasty*, are valuable to outdoor channels because they educate audiences about their world. Overall, though, he said reality TV in general "is better left to" networks aiming for a general audience.



Actor Joe Mantegna brings his celebrity to Outdoor Channel's *Gun Stories*.

Pursuit instead has brought in *Ducks Unlimited TV*, which had been on Outdoor Channel for years. "Producers are coming over to us," he said. "And while we spend our limited budget on grassroots endemic publications, instead of other promotions, I think distributors are noticing."

Talks have picked up with cable distributors: some 34 million out of 38 million subscribers of Pursuit Channel are on satellite TV, Faulk said.

Merrill Sport, founder of Hunt Channel, sees better prospects ahead for his service, which provides morning and primetime programming blocks four nights a week for Angel Two, a channel carried by Dish Network.

As producers of traditional shows get rolled off key spots on Outdoor and Sportsman, they might go to Pursuit. That that will push other producers off there and onto Hunt Channel, Sport predicted.

"And we're looking at an avalanche of shows for us," he said. "It's a perfect situation for us."

Destination America Goes On a Hawaii House Hunt

WILL BRING 'BUYING' FRANCHISE TO ALOHA STATE

BY R. THOMAS UMSTEAD

Destination America is buying into the real-estate genre this month with plans to launch a third iteration of its popular *Buying* franchise.

The Discovery Communications outlet on Thursday (Dec. 5) will launch *Buying Hawaii*, which follows a prospective buyer to three unique properties amid the extreme climates, beach retreats and volcanos that surround the 50th state, network general manager Marc Etkind said. The series follows on the heels of sophomore series *Buying Alaska* and freshman effort *Buying the Bayou*, the network's second- and third-most watched shows, respectively, during the fourth quarter.

Buying Hawaii will continue a franchise that launched with *Buying Alaska* (pictured), Destination America's top-rated series.

Buying Alaska, which showcases houses in the most remote areas of the state, has reached more than 5.7 million viewers in its second season. *Buying the Bayou* — which looks at swamp-area dwellings — has reached some 3.1 million viewers in its debut campaign; Destination America recently picked up a second season.

TAKEAWAY

Destination *America's Buying Hawaii* is just the latest entry in cable's red-hot real-estate category.

The *Buying* franchise, and the real-estate genre in general, fit in well with Destination America's brand and its 25-to-54-year-old audience, Etkin said.

"We've been able to pick very American locations — places that maybe you might want to live but may never have a chance to, so it fits our brand perfectly," he said. "It's not just shows about a house; it's a show about a lifestyle and about a way of life and how people live in these areas."

Destination America's deep dive into the real-estate genre continues an industry trend that has remained strong over recent months. *Vanilla Ice Goes Amish* finished its first season earlier this month as DIY's top-rated series, averaging more than 250,000 viewers. That's more than double the network's October primetime average, according to Nielsen.

TLC recently threw its hat into the cable real estate ring, launching on Nov. 20 series dubbed *Buying Naked*, which explores the real estate market within a nudist community.

Also, industry sources have said that A+E Networks plans to rebrand digital channel Bio as a lifestyle network focused on real estate. It's unclear whether the network will be rebranded before the end of 2013 or early 2014.

A+E executives would not comment on the matter.

Etkind said the growing number of real estate-themed shows on cable does concern him from a competition standpoint, but added the audience's appetite for the genre remains strong.

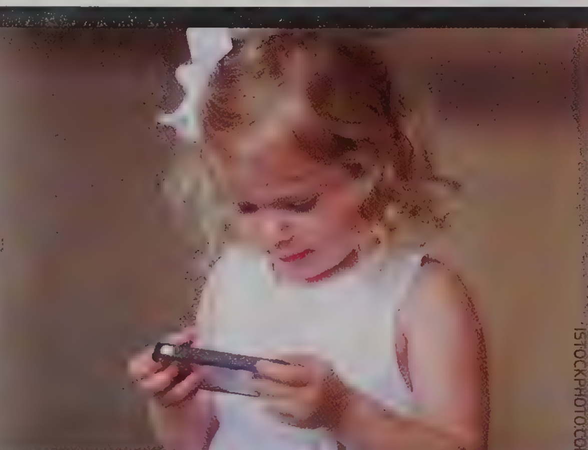
"We were in a couple of years of a depressed real estate market, but I think we're feeling a little bit more comfortable and beginning to wonder again what it would be like to live in our dream house our in another destination," he said.

KIDS GOING MOBILE

Kids aged eight and younger have far more access to mobile devices then they did just two years ago, according to a Common Sense Media Research study.

DEVICE	2013	2011
Smartphone	63%	41%
Tablet	40%	8%
iPod Touch/similar	27%	21%
Any Mobile Device	75%	52%

SOURCE: "Zero to Eight: Children's Media Use In America 2013," a Common Sense Media research study



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REVIEW

Kirstie

TV Land, Wednesday, Dec. 4, at 10 p.m.

★★★½☆ Former *Cheers* star Kirstie Alley returns to the small screen with some familiar friends in TV Land's funny new comedy series *Kirstie*.

Alley plays celebrated and self-absorbed Broadway star Madison "Maddie" Banks, whose life gets turned upside down when Arlo Barth (Eric Petersen), the son she gave up at birth 26 years ago, suddenly appears in her life, looking to connect after the death of his adoptive parents.

The revelation stuns Maddie's best friend and personal assistant Thelma Katz (Alley's *Cheers* co-star Rhea Perlman) and her eccentric driver Frank Baxter (*Seinfeld*'s Michael Richards). Both react to the news better than Maddie, who initially looks to quickly dismiss her underachieving but sweet offspring in order to maintain her lavish, carefree lifestyle.

Things between Maddie and Arlo come to a head when Maddie refuses to acknowledge him as her son to her close industry friends during a formal party at her home. She even gives her son a waiter's jacket so as not to stand out among the crowd. Disappointed and hurt, Arlo decides he made a mistake in seeking out Madison and vows to stay out of her life forever.

Wracked with guilt and guided by her motherly instincts, Maddie eventually seeks out Arlo to make amends and to give their relationship another try. This leads to some humorous situations, including a very messy donut fight and an impromptu mother/son talk in front of hundreds of Broadway-goers.

Kirstie is a funny, entertaining sitcom with heart and a lot of star power. Comedy veterans Alley, Perlman and Richards work well together and Petersen holds his own. The second episode features Kristin Chenoweth as Maddie's manipulative and conniving understudy — the first of a slew of guest star appearances in the series from veteran actors such as John Travolta, Jason Alexander, Kathy Griffin, Cloris Leachman, George Wendt and Kristen Johnson (TV Land's *The Exes*).

While *Kirstie* will not make viewers forget about *Cheers* and *Seinfeld*, fans of those sitcoms will nevertheless enjoy watching several alums of those classic shows ply their comedic talent in this likeable TV Land original series.

— R. Thomas Umstead

MORE ONLINE

For more on TV Land's *Kirstie*, visit multichannel.com/Dec2.

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A+E NETWORKS

Michael Feeney was upped to executive vice president, corporate communications at A+E Networks. He had been senior VP, corporate communications at A+E since January of 2006.

DID YOU KNOW?

Michael Feeney oversaw A&E Television Networks' rebranding as A+E Networks following its merger with Lifetime Television.

BRIGHT HOUSE

Alan Mason was named vice president/general manager of news and local programming at Bright House Networks, based in Orlando, Fla., and responsible for Bay News 9, News 13, Bright House Sports Networks, Local on Demand and InfoMas. He comes from Time Warner Cable, where he was VP and GM of 24-hour news network News 14 Carolina.

CLINTEL

Process solutions and optimization firm Clintel in Denver has added **Geoff Brooks** as vice president, business development. The 30-year telecom veteran has worked at such companies as Jones Intercable, Tele-Communications Inc. and Amdocs.

Also, **Brad Parobek** has joined Clintel as vice president, new business development. He most recently worked at Amdocs.

ENDEMOL

Studio Endemol North America has named **Will Keenan** as president of its newly launched digital venture Endemol Beyond USA. He comes from Maker Studios, where he was VP, vertical development and network programming.

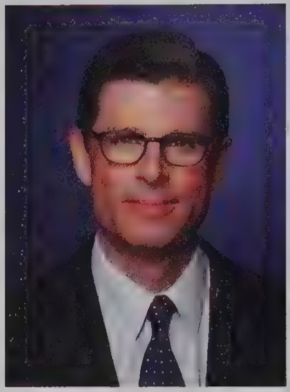
FOX SPORTS

Fox Sports has advanced **Jeff Krolik** to president of regional networks, adding responsibility for Fox Deportes to his duties overseeing Fox Sports's 22 regional sports networks.

FEENEY A+E Networks

MASON Bright House

BROOKS Clintel



KROLIK Fox Sports

FLYNN Lifetime

SOPER Music Choice

INSP

The Inspiration Networks has upped **Shawn Nicholson** to vice president, sales operation. He was director.

LIFETIME

Mariana Flynn was named vice president, nonfiction programming at Lifetime, based in Los Angeles. She comes from TLC, where she was VP, development.

DID YOU KNOW?

At TLC, Mariana Flynn developed such shows as *Something Borrowed, Something New*, *Gypsy Sisters* and *All-American Muslim*.

MUSIC CHOICE

Tom Soper was tapped as vice president, distribution sales, at Music Choice. He had been senior director, advertising sales at the company.

NBC NEWS

Julian March was named senior vice president of editorial and innovation at NBC News. He comes from U.K. broadcaster ITV, where he was director of online.

SCRIPPS

Scripps Networks Interactive Home Category has elevated **Julie Taylor** to senior vice president, program planning and Cindy Brown to vice president program planning. Both executives will add responsibility for scheduling, stunts and special events on Great American Country to their responsibilities with HGTV and DIY Network.

ZUFFA LLC

Ultimate Fighting Championship parent Zuffa LLC has added **Clint Cox** as director of content protection, responsible for the company's anti-digital piracy efforts. He comes from NBCUniversal, where he was director of operations for the Global Content Protection department.

SUBMISSIONS: Send people and calendar items to Michael Demenchuk, *Multichannel News*, 28 E. 28th Street, 12th Floor, New York, N.Y. 10016 or via email to MCNPeople@nbmedia.com.

CALENDAR

DEC. 12

New York Women in Film & Television, 33rd Annual Muse Awards, Hilton New York Grand Ballroom, 1335 Ave. of the Americas, New York. For information, visit: *www.nywift.org*.

JAN. 7-10, 2014

2014 International CES, Las Vegas Convention Center, 3150 Paradise Rd., Las Vegas. Visit: *cesweb.com*.

FEB. 4

Multichannel News/B&C, 2014 Multicultural TV Summit & Leadership Awards, 8 a.m.-2:30 p.m., Grand Hyatt, 109 E. 42nd St., New York. Contact: Jennifer Ware, (917) 281-4718 or jware@nbmedia.com.

FEB. 17-18

Krewe of Louisiana Cable Show, Hotel Monteleone, 214 Royal St., New Orleans. Contact: (225) 387-5960.

FEB. 27

Multichannel News and *Broadcasting & Cable*, Advanced Advertising, Grand Hyatt, 109 E. 42nd St., New York. Contact: Rebecca Shottland, (917) 281-4782 or rshottland@nbmedia.com.

MARCH 2-5

CableLabs Winter Conference, Atlanta, Ga. For more information, visit: *www.cablelabs.com.*

MARCH 18-19

Next TV Summit, Grand Hyatt New York Hotel,109 E. 42nd St., New York. Contact: Rebecca Shottland, (917) 281-4782 or rshottland@nbmedia.com.

MARCH 26

Multichannel News and New York WICT, 2014 Wonder Women Luncheon, Hilton New York, 1335 Ave. of the Americas, New York. Contact: Rebecca Shottland, (917) 281-4782 or rshottland@nbmedia.com.

MARCH 26

T. Howard Foundation, Diversity Awards Dinner, Cipriani Wall Street, New York. Contact: (301) 588-6767 or inquiry@thoward.org.

APRIL 1-3

American Cable Association, ACA's 21st Annual Summit, Grand Hyatt, Washington. For more information, visit: *www.acasummit.org*.

For more Multichannel News events, visit multichannel.com/events.

T. Howard Foundation

21st Annual Diversity Awards Dinner

Wednesday, March 26, 2014

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Salaam Coleman Smith

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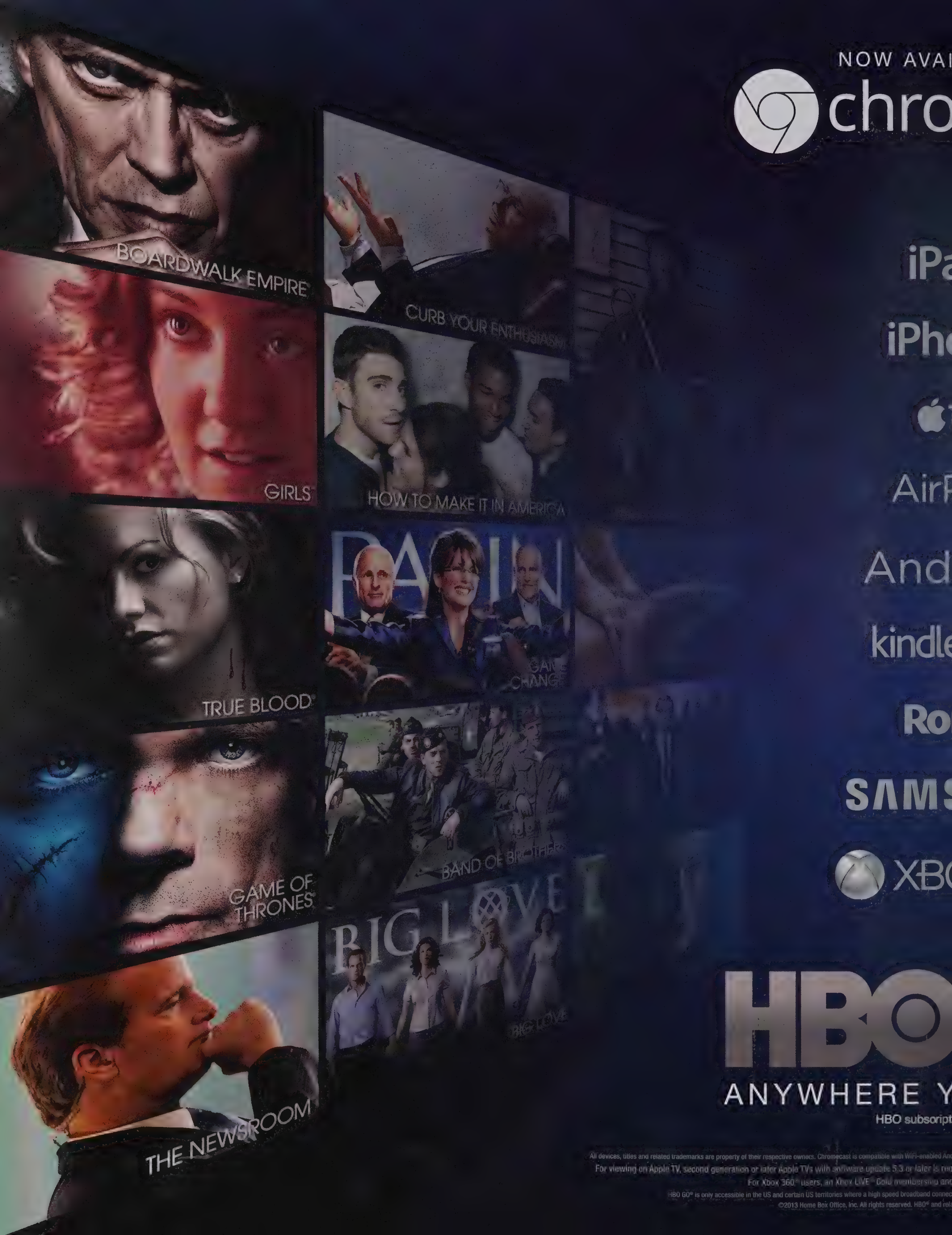
For further information, including table prices, please call Maria Ducheine at (212) 997-0100, Ext. 214 or e-mail at mducheine@projectsplusinc.com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Studios Slam Aereo In High Court Filings

CALL FLIGHT TO MVPDs INEVITABLE IF SERVICE WINS

BY JOHN EGGERTON

WASHINGTON — The studios and defenders of copyrights are lining up behind broadcasters in their fight against TV streaming service Aereo, a fight they all say is for the future of high-value content on broadcast TV or an alternative flight to cable TV and other pay platforms.

TAKEAWAY
The broadcast industry's studio allies are weighing in against TV-streaming service Aereo in briefs filed with the Supreme Court.

Friend of the court briefs — in this case, more like "friends of the broadcasters briefs" — have been filing into the high court. At press time, attorneys for Aereo had no copies of briefs supporting their side, but pointed out that the court's 30-day extension on Aereo's response to the broadcaster request that the Supreme Court hear the case meant supporting briefs were also delayed 30 days — until Dec. 12.

The National Football League and Major League Baseball have already warned the court that a decision in favor of allowing Aereo to deliver TV-station signals to subscribers without paying for that programming likely means that sports events, considered unreplaceable, high-value local content, would be moving to pay TV.

FLEEING THE AIRWAVES

Another consequence, if the court rules before the federal incentive auction of broadcast spectrum, could be to push more of the airwaves into that pot, given that a flight of content would darken the horizon for an industry already under FCC pressure to yield spectrum.

It would also threaten a huge chunk of the U.S. economy's gross domestic product, according to a just-released study by the International Intellectual Property Alliance. The study pegs content creation and distribution by "core" copyright industries like TV, movies, music and software at more than $1 trillion annually.

According to those filings, here is a sampling of the "parade of horribles" — legal talk for all the bad outcomes — broadcaster allies say could result from an Aereo win.

Time Warner Inc. in its filing called Aereo's antenna array (pictured) an attempt at an end run around the public performance right.

Major studios Viacom and Metro-Goldwyn-Mayer teamed with the Independent Film & Television Alliance — they are not always on the same page — and a number of entertainment guilds and unions to warn the court.

Calling Aereo a "Rube Goldberg-like contrivance," they see a threat to the "windowing" model of different distribution platforms, with broadcast often the first window. That model not only compensates the big players, the unions pointed out, but also the thousands of writers, directors, cast and crew they represent. "Residuals are a crucial source of income that can be the lifeblood of individuals whose work is intermittent by its very nature," they said in their brief.

They even suggest the Aereo model threatens their pensions and health-care plans.

LAWYER LOOPHOLES

In a separate brief, Time Warner Inc. anticipated Aereo's defense as a technological innovation for consumer convenience. Wrong, the studio owner said.

"No reasonable company would have deployed Aereo's armada of mini-antennae but for the desire to end-run the public performance right," Time Warner said in its brief.

It would also threaten $1 trillion of the U.S. economy's annual gross domestic product, according to a just-released study by the International Intellectual Property Alliance.

Information, Please

WASHINGTON — Given its size and reach, Google has been under scrutiny from various government entities over the past few years, from Justice to the Federal Trade Commission to some concerned Congress members over the online information collected.

But that concern cuts both ways.

Google has issues with the growing amount of information about its users that the government has been collecting.

In its most recent transparency report detailing government information requests, Google said such requests have increased more than 100% since 2010, when it first released that information.

Google has sued the government for the ability to make public the requests it receives related to the Foreign Intelligence Surveillance Act (FISA), which the government contends would be illegal. The Internet search giant is also pushing for legislation that would require a warrant based on probable cause before forcing Google to disclose the content of users' electronic communications.

— *John Eggerton*

Cable Fine Indicates FCC Wants Punishment to Sting

BY JOHN EGGERTON

WASHINGTON —The Federal Communications Commission was clearly serious in recently signaling that fines could be increased based on a company's ability to pay.

The cable industry is getting the initial brunt of the financial blow. Two weeks ago, the commission fined the Time Warner Entertainment-Advance/Newhouse partnership $25,000 for failing to file proof of performance test and children's TV programming records in a timely fashion.

The base fine is $10,000, but the FCC said it was more than doubling it, in part based on the companies' financial means.

Earlier in the month, the FCC proposed a $25,000 fine against the TBS network for a simulated Emergency Alert System warning in a promo for *Conan*. At the time, the agency signaled it would likely be imposing larger than base fines, in some cases much larger, on companies with deeper pockets so that fines would not be treated as simply the cost of doing business.

In the case of the TWE-A/N partnership-owned Time Warner Cable system in Kansas City, Mo., the cable operator said it was unable to produce the information immediately on request because the employee in charge was on leave that day. The operator pointed out to the FCC that the information was produced only three days later. TWE-A/N also immediately set up a Web-based file system and said the violation was relatively minor and should be balanced against good faith efforts to comply.

The FCC's Enforcement Bureau disagreed. "The bureau sought to ensure that the forfeiture amount served as an effective deterrent and not simply a cost of doing business," the commission repeated in the order. "For these reasons, the upward adjustment was appropriate. Moreover, even though Time Warner states that it quickly corrected the violation by consolidating the missing materials after the inspection, such corrective actions are expected and do not warrant mitigation of the forfeiture."

At truTV's "*Guinness World Records Unleashed* Arena" in New York: **Chris Linn** (c.), head of programming, truTV, and *Guinness World Records Unleashed* cast members (from l.) **Zach Selwyn**, **Liz Smith**, **Stuart Claxton** and **Dan Cortese**.

E.M. PIORODA/TRUTV

Host **Roland Martin** (l.) interviews TV One chairman **Alfred Liggins** on the premiere episode of the network's *News One Now* in Washington, D.C.

JOHN DAVIS PHOTOGRAPHY

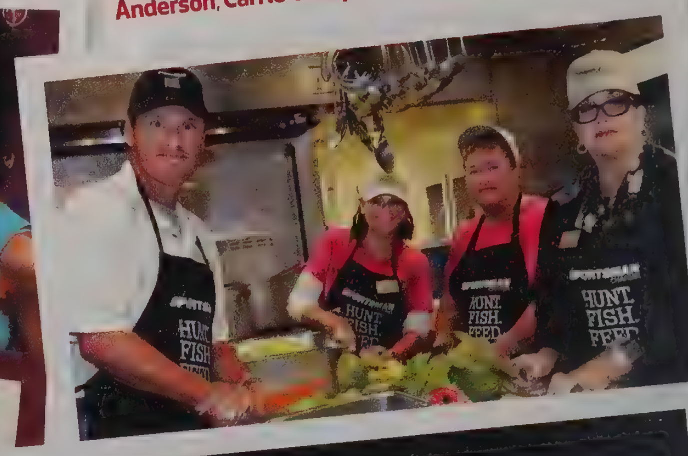
On the set of Universal Sports' *Countdown to Sochi* (l. to r.): **Zach Kincaid**, PPV coordinator, sports packages, and **Michael Bean**, programming manager, Dish Network; co-host **Craig Hummer**; **Tyler Bern**, programming manager, Dish; and co-host **Jenny Cavnar**.

At the "Got Your 6 Storytellers" event at Google's New York offices (l. to r.): **Chris Marvin**, managing director of veterans advocacy group Got Your 6, and **Patrick Murphy**, host of MSNBC's *Taking the Hill*.

Toasting the debut of *Tennis Channel Live* in Culver City, Calif. (front, l. to r.): hosts **Jimmy Arias**, **Tracy Austin**, **Brett Haber** and **Michael Chang** and SVP, production/executive producer **Bob Whyley** (back row).

Fox News chairman and CEO **Roger Ailes** (c.) honors the graduates of the 2013 Ailes Apprentice Program (l. to r.): **Terrell Brown**, **Sarah Kader**, **Stephen Hernandez** and **Joanna Preston**.

Sportsman Channel and Suddenlink brought the network's "Hunt.Fish.Feed" campaign to St. Joseph, Mo. (l. to r.): **Jeff Brown**, Sportsman Channel; and **Tara Anderson**, **Carrie Colley** and **LaDawn Fuhr**, Suddenlink.



Regis Philbin (l.), host of Fox Sports 1's *Crowd Goes Wild*, and NASCAR legend **Richard Petty** ham it up on the show's New York set.

Reaching for the Stanley Cup at a Comcast Spotlight Chicago client/employee event (l. to r.): **Brian Harder**, senior marketing coordinator; **Lisa Dooley**, senior marketing manager; **Meg Ward**, marketing manager; and **Colin Somers**, marketing coordinator.

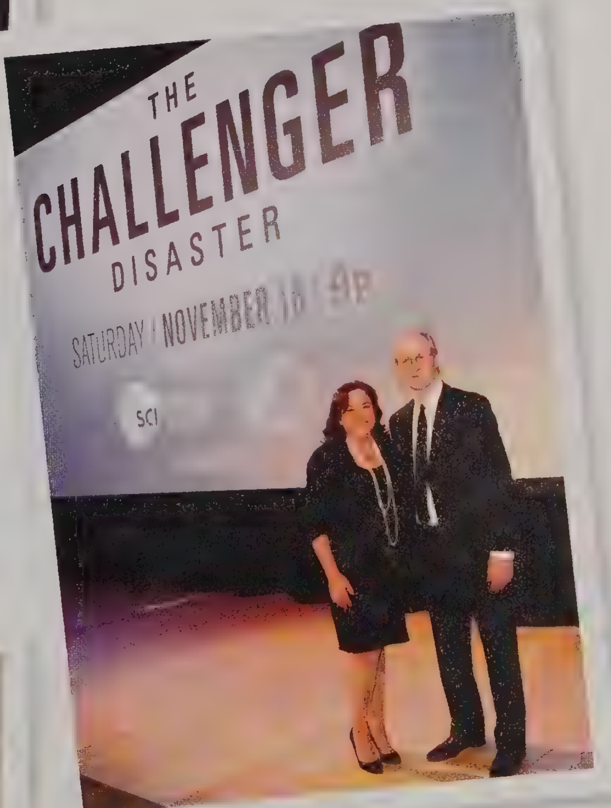
OWN/OPRAH WINFREY NETWORK

Sheri Salata (l.), president, OWN; **Oprah Winfrey**, chairman and CEO, OWN; **Barbara Kopple**, filmmaker; and **Mariel Hemingway** at the Los Angeles premiere of OWN's *Running From Crazy*.

Starz president **Glenn Curtis** (l.), chairman **Greg Maffei** and CEO **Chris Albrecht** host the company's first Starz Investor Day at the French Institute Alliance Française in New York.

The New York Hall of Science honored Time Warner Cable and Toyota for their contributions to STEM education (l. to r.): TWC chairman and CEO **Glenn Britt**, who received the Distinguished Leadership Award; Hall of Science president and CEO Dr. **Margaret Honey**; and **Osamu "Simon" Nagata**, president and CEO, Toyota Motor Engineering and Manufacturing North America.

Chante Moore (c.) of TV One's R&B Divas "Filled the Truck" full of toys for the Salvation Army in Raleigh, N.C., along with Maj. **Pete Costas** (l.), commanding officer, Salvation Army of Wake County, and Walmart market manager **Brad Barritt** (r.).



Science Channel GM **Debbie Myers** (l.) and actor **William Hurt** at the premiere of Science's *The Challenger Disaster* at the Times Center in New York.

AMANDA STOLARSKI

WICT Washington/Baltimore honored its Touchstones of Leadership honorees at its PowerBrokers Breakfast (top, l. to r.): **Catherine Frymark**, Discovery Communications; **Suzanne Underald**, Scripps Networks Interacive; **Samantha Callahan**, Comcast; and **Becky Bozien-Simms**, Time Warner Cable. Bottom (l. to r.): **Meghan Rodgers**, Travel Channel; **Michelle Carey**, FCC; and keynote speaker **Meredith Attwell Baker**, NBCUniversal.

SUBMISSIONS: Send your most recent press photos, with an ID, contact name and telephone number, to: Michael Demenchuk, ***Multichannel News***, 28 E. 28th Street, 12th Floor, New York, N.Y. 10016. Send electronic images (4" X 6" at 300 dpi) via e-mail to: **mcnart@nbmedia.com**

Merger Outlook: Mobility Deals Are on the Horizon

PWC: NETWORKING EQUIPMENT, SERVICES WILL BREAK OUT

BY MIKE FARRELL

Cable deals were on the upswing in the first nine months of 2013, but the scale-driven transactions that fueled most of the growth in the first three quarters of the year may give way to smaller deals aimed at improving network mobility, according to accounting giant PricewaterhouseCoopers.

> **TAKEAWAY**
>
> The scale-fueled transactions of early 2013 could give way to smaller deals meant to improve network mobility, per PricewaterhouseCoopers.

The number of transactions in the cable sector was up for the year — to 13 from 11 in the previous year, according to PwC — and total media deal value rose 55% from $49.8 billion in the first nine months of 2012 to $77.1 billion in the same period this year.

Total media deal volume in the first nine months of the year rose to 648 announced transactions from 594 at the same time last year, according to PwC.

INTERNET SECTOR

The biggest rise was in the Internet/Information Services sector, which counted 123 transactions in the period, up by 19 from 104 transactions a year ago. Publishing and Telecommunications, with an increase of 16 and 12 deals, respectively, followed closely, with cable besting its 2012 deal volume by two transactions, ending the period with 13 announced deals.

International deals, a big part of the landscape in 2012, were less of a factor this year, with overall transactions down to 126 in the first nine months, compared to 156 transactions at the same time in 2012.

On the cable and broadcasting side, Comcast took the top spot with its February transaction to acquire the remaining interest in NBCUniversal it didn't already own from General Electric for $16.7 billion.

Liberty Global's acquisition of U.K. cable company Virgin Media for $16.4 billion was second, followed by Liberty Media's acquisition of a 27% interest in Charter Communications for $2.67 billion.

Private-equity companies continued to play a role in the resurgence, representing about 20% of deal volume in the period, about the same level as 2012.

Total deal volume in the Entertainment, Media and Communications sector increased 55% in the period, excluding by far the biggest transaction of the year, Verizon Communications's agreement to purchase the remaining interest in Verizon Wireless from Vodafone Group for $130.1 billion. With the Verizon deal included, total deal value rose a hefty 316% to $207.2 billion from $49.8 billion.

Top TV Deals

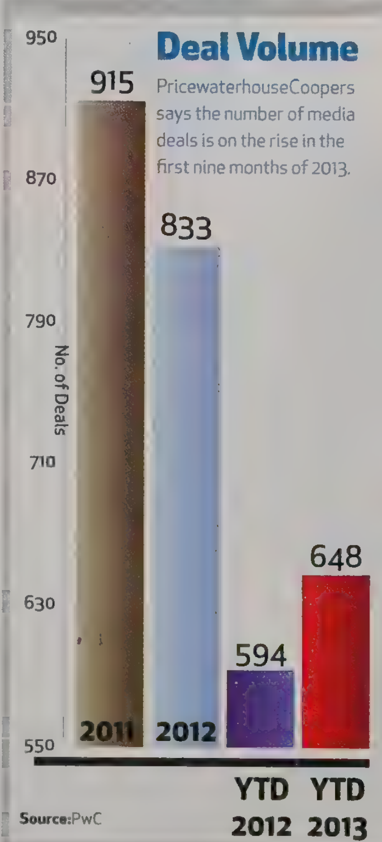
The top television deals of the first nine months of 2013.

BUYER	SELLER	TRANSACTION AMOUNT
Comcast*	General Electric	$16.7 billion
Liberty Global	Virgin Media	$16.4 billion
Tribune Media	Local TV	$2.7 billion
Liberty Media**	Charter	$2.6 billion
Dish Network***	LightSquared	$2.2 billion
Gannett	Belo	$2.1 billion
Charter****	Cablevision	$1.625 billion

*Comcast purchased GE's remaining interest in NBCUniversal
**Liberty acquired a 27% interest in Charter in March
***Dish Network made a stalking horse bid for LightSquared in bankruptcy court
****Optimum West systems
SOURCE: PwC

Those numbers could be further skewed if a deal for Time Warner Cable comes later in the year. Last week, speculation was high that some kind of transaction could be forthcoming, after reports emerged that Charter Communications was lining up bank financing for a TWC bid, and that industry giant Comcast was considering a joint bid for TWC — or even attempting to swallow the No. 2 cable operator itself, as one of the many options before the company.

Some analysts have estimated that TWC could sell for $160 per share — a 20% premium to its already-inflated price of $132.92 on Nov. 22. At that price, and the assumption of its $23 billion in debt, a TWC deal would be valued at nearly $70 billion.



MOBILE HOT SPOT

A Time Warner Cable deal notwithstanding, PwC estimated that going forward the hottest sector in the EMC space could be mobile networking equipment and services, particularly as the surge in mobile data usage has spotlighted the need for more efficient mobile networks.

PwC estimated that mobile data traffic is expected to rise 66% annually between 2012 and 2017, posing challenges for network operators.

"With finite spectrum assets and significant costs to acquire and build out capacity, operators are looking for innovative, flexible, reliable and cost effective ways to alleviate their capacity and coverage issues," PwC wrote.

MCNBRIEFS

Comcast Adds Broadcast Fee

PHILADELPHIA — Comcast is striking back at the high cost of retransmission consent by separating out a $1.50 per month "Broadcast TV Fee" on customer bills, beginning in some markets on Jan. 1.

The move is a departure from how the nation's largest cable operator had previously offset some of the costs of retrans by including a portion of them within the overall charges for video. Now Comcast seems to be joining other distributors, including AT&T's U-verse TV, in taking the offensive by breaking out those charges for customers to see.

In a letter to Comcast subscribers in its Heartland Region (which includes Michigan, Indiana and Arkansas) Comcast said the $1.50 charge will begin on Jan. 1. Heartland Region senior manager of government affairs Frederick Eaton wrote that the fee is to "defray the rising costs of retransmitting broadcast-television signals."

A Comcast spokeswoman said that other markets will see the Broadcast TV Fee as their 2014 rate cycle begins, which varies between regions.

Some customers could see the increase in January, with others experiencing the change in the spring or summer. The $1.50 charge covers only a portion of Comcast's total retrans cost increases, the company said.

Kagan: Retrans to $7.6B by '18

MONTEREY, Calif. — SNL Kagan expects TV station owners to increase their retransmission consent haul to $7.6 billion by 2018, more than double the $3.3 billion expected in 2013 and largely due to a wave of consolidation.

The 2018 estimates are above the $7.15 billion the research house had previously projected, despite a shrinking multichannel universe. Last year, Kagan expected multichannel subscribers to rise from 100.4 million in 2011 to 103.7 million in 2018. It now predicts that number to fall to 100.6 million subscribers five years from now.

SNL Kagan has also updated its reverse retrans projections, noting a doubling of these funds flowing from the stations back to the network to $2.25 billion in 2019 from $1.02 billion in 2014. SNL Kagan shows reverse retrans payments to the networks growing to 50% of affiliates' retrans payments over time, even as affiliates' monthly fees increase in the coming years.

New Name for Cable One Parent

WASHINGTON, D.C. — After the sale of its flagship newspaper, *The Washington Post*, to Amazon.com founder Jeff Bezos, The Washington Post Co. said it will change its name to Graham Holdings Co. (GHC) on Nov. 29.

Graham Holdings will include Cable One, the Phoenix-based MSO with about 700,000 subscribers in 19 states; Kaplan Education; six television stations; The Slate Group; Social Code; Celtic Healthcare; and Forney Corp., a global supplier of products and systems for electric utility and industrial applications.

Multichannel News Index (MNI)

939.19 | 0.31% | 2.86 (WEEKLY)

MSOs

	Price 11/26	Price 11/20	Weekly % Change	Month Ago	Year Ago	52-Week High	52-Week Low
Cablevision	15.77	14.94	5.56%	15.81	14.02	20.16	13.53
Charter	136.10	129.07	5.45%	138.58	70.28	144.02	68.44
Comcast	47.84	46.36	3.18%	46.82	35.59	48.37	34.95
Comcast (special)	49.78	47.46	4.88%	48.17	36.63	50.29	35.91
Liberty Global	84.38	79.26	6.46%	80.16	57.27	84.92	55.88
Rogers	43.94	44.68	-1.66%	44.74	43.54	51.98	38.32
Shaw	23.10	23.17	-0.32%	23.59	21.44	25.46	21.23
Time Warner Cable (H)	136.50	122.26	11.65%	119.44	93.09	139.17	84.57
TOTAL	1,915.78	1,823.49	5.06%	1,836.78	1,432.14	1,938.85	1,406.30

PROGRAMMERS

	Price 11/26	Price 11/20	Weekly % Change	Month Ago	Year Ago	52-Week High	52-Week Low
AMC Networks	63.89	63.30	0.93%	70.36	51.12	73.39	48.41
CBS	58.48	58.88	-0.68%	59.80	35.53	61.08	34.32
Crown Media Holdings	3.22	3.12	3.21%	3.33	1.76	3.38	1.66
Discovery	86.68	85.23	1.70%	85.66	57.88	89.58	57.16
Disney	71.22	69.12	3.04%	69.26	49.03	71.69	47.84
Twenty-First Century Fox	33.21	33.26	-0.15%	34.86	24.13	35.44	21.12
HSN	57.40	57.50	-0.17%	53.99	51.94	65.00	49.14
Liberty Interactive (H)	27.85	27.92	-0.25%	26.72	19.22	28.42	18.83
Liberty Media	154.45	144.44	6.93%	151.38	N/A	159.33	101.00
Madison Square Garden	55.76	56.02	-0.46%	61.29	43.51	63.44	42.25
Scripps Networks Interactive	74.76	74.80	-0.05%	80.23	59.77	81.21	55.88
Starz	27.95	27.78	0.61%	30.03	12.44	30.72	11.76
Time Warner Inc.	65.79	66.28	-0.74%	70.26	46.52	70.77	45.76
ValueVision Media	5.80	5.25	10.48%	5.34	1.77	6.35	1.62
Viacom	79.21	79.63	-0.53%	84.94	50.13	86.06	49.82
WWE	14.79	13.43	10.13%	11.91	8.08	14.85	14.60
TOTAL	1,393.06	1,381.66	0.83%	1,418.16	1,067.60	1,460.48	1,048.26

EQUIPMENT VENDORS

	Price 11/26	Price 11/20	Weekly % Change	Month Ago	Year Ago	52-Week High	52-Week Low
Arris Group (H)	20.10	18.83	6.72%	16.65	13.82	20.14	14.07
Broadcom	26.40	26.40	-0.02%	26.41	32.17	37.85	23.25
Cisco Systems	21.15	21.42	-1.26%	22.46	19.06	26.49	18.55
Concurrent	7.59	7.38	2.78%	7.27	5.19	8.95	4.93
EchoStar	48.89	49.58	-1.39%	47.93	31.55	51.60	31.26
Entropic	4.86	4.94	-1.72%	4.24	4.84	5.82	3.57
Harmonic	7.59	7.26	4.48%	7.79	4.34	8.25	4.29
Intel	23.66	24.70	-4.23%	24.24	19.89	25.98	19.42
LM Ericsson Telephone	12.40	12.37	0.20%	12.32	9.08	14.22	12.34
Microsoft	37.45	36.74	1.93%	35.73	27.39	38.22	26.26
Rentrak	39.64	35.50	11.66%	36.99	18.73	40.79	17.59
Rovi	18.10	17.33	4.44%	19.34	14.82	26.55	14.69
SeaChange	14.42	13.70	5.26%	14.83	9.13	15.25	13.91
Technicolor	4.98	5.12	-2.81%	5.54	2.45	5.66	2.32
TiVo	13.29	13.18	0.80%	13.80	10.15	14.25	10.06
TOTAL	1,278.39	1,279.19	-0.06%	1,268.03	1,014.66	1,328.98	1,274.59

TELCOS

	Price 11/26	Price 11/20	Weekly % Change	Month Ago	Year Ago	52-Week High	52-Week Low
AT&T	35.31	35.72	-1.15%	35.19	33.97	39.00	32.76
Sprint (H)	8.14	7.49	8.68%	6.45	5.62	8.34	5.15
Verizon	50.08	50.78	-1.38%	50.71	43.30	54.31	41.50
TOTAL	654.11	662.32	-1.24%	656.1	602.49	711.08	581.82

SATELLITE TV

	Price 11/26	Price 11/20	Weekly % Change	Month Ago	Year Ago	52-Week High	52-Week Low
DirecTV Group	65.95	65.47	0.73%	62.81	49.00	67.85	47.71
Dish Network (H)	54.12	49.64	9.01%	48.67	35.30	54.19	33.79
TOTAL	1,791.35	1,742.69	2.79%	1,672.34	1,980.25	2,149.87	1,238.16

SOURCE: Financial Content **NOTE:** The Multichannel Multimedia Index measures the combined prices of stocks listed on this page, weighted by market capitalization. S&P tracks the Standard & Poor's 500 stock index.

TOP 5 PERCENTAGE GAINERS:

Time Warner Cable	11.65%
ValueVision Media	10.48%
WWE	10.13%
Dish Network	9.01%
Sprint	8.68%

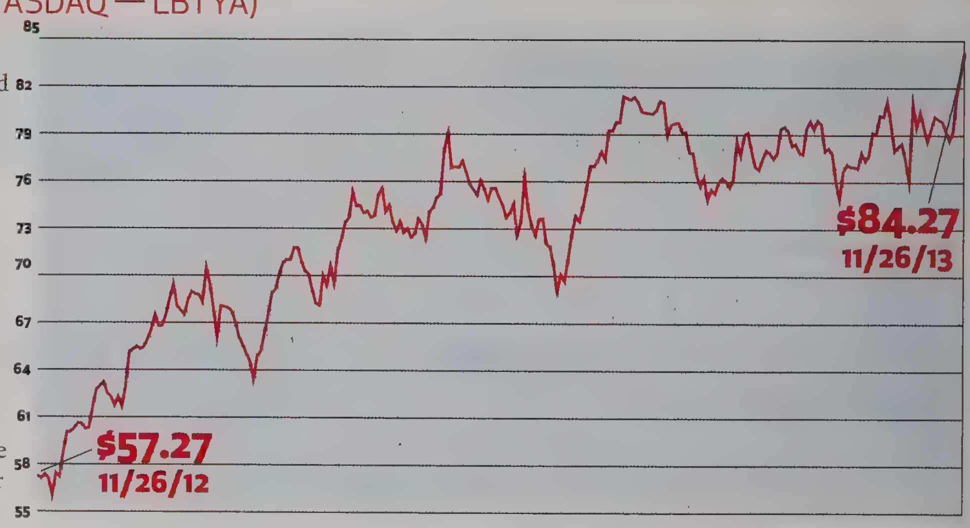
TOP 5 PERCENTAGE LOSERS:

Intel	-4.23%
Technicolor	-2.70%
Entropic	-1.72%
Rogers	-1.66%
EchoStar	-1.39%

LIBERTY GLOBAL (NASDAQ — LBTYA)

While shares of Charter Communications have soared in recent days on merger speculation, John Malone's other cable holding, Liberty Global, could also be poised to tap the deal market. LGI shares were up about 6% last week after analysts noted that its recent strategy to divest its programming assets could add another $1 billion in capacity for further European cable consolidation. The stock is up more than 47% for the past 12 months.

SOURCE: NASDAQ website



MARKET INDEX COMPARISON

	Price 11/26	Price 11/20	% Week	Month Ago	Year Ago
MNI	939.19	932.68	0.70% ↑	933.05	764.86
S&P 500	1,803.20	1,787.87	0.86% ↑	1,759.77	1,406.29
DJIA	16,076.20	15,967.03	0.68% ↑	15,570.28	12,967.37
NASDAQ	4,017.57	3,931.55	2.19% ↑	3,943.36	2,976.78

TIP SHEET

ANALYST: TWITTER VALUATION TOO HIGH

BTIG Research analyst Rich Greenfield initiated coverage of Twitter with a "neutral" rating, adding that despite its growth prospects, he believes its current valuation is high. Twitter's valuation has soared along with its stock — its Nov. 22 price of $41 per share (up from the IPO price of $26 each) is about 90 times estimated 2015 cash flow. "Given the aforementioned valuation, we find it difficult to find Twitter compelling at current levels," Greenfield wrote.

SETTING THE TABLE AT FOOD

Morgan Stanley media analyst Ben Swinburne increased his 12-month price target for Food Network parent Scripps Networks to $76 per share but maintained his "underweight" rating on the stock, adding that 2013 should be another year of solid ad revenue growth at the programmer. However, Swinburne noted that ratings declines at Food Network could pose challenges for the company.

JUDGES

Cristina Saralegui
Journalist and Television Personality
Host of "Cristina Entre Amigos" on Cristina Radio/SiriusXM channel 153.

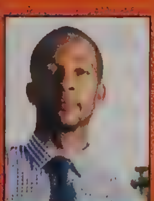
Rev. Dr. Calvin O. Butts, III
Pastor, Abyssinian Baptist Church in New York City
President, State University of New York at Old Westbury

Ambassador Sandra Fuentes-Berain
Consul General of Mexico in New York

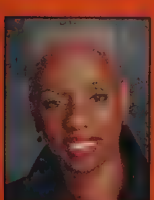
Eliot Kang
Founder of Asian American agency, Kang & Lee
CEO of INMOST Partners LLC

Anjula Acharia Bath
CEO
Desi Hits!

Dave Montez
Acting President of GLAAD



Wade Davis
Former Pro Football Player
Executive Director,
You Can Play Project



Pepper Miller
Co-author, "What's Black About It"
Author, "Black Still Matters in Marketing"
President, Hunter-Miller Group

Bob Kumaki
Author, "Many Cultures One Market: A Guide to Understanding Opportunities in The Asian Pacific Market" Managing Principal, The Ronin Group

Rabbi Dr. Marc A. Gellman, Ph.D.
Syndicated Columnist
Senior Rabbi of Temple Beth Torah
Melville, Long Island

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The event concludes with the Leadership Awards Luncheon and Presentation Ceremony which recognizes executives for their extraordinary business leadership. Judging is currently underway and this year's winners will be announced soon.

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For speaking opportunities, contact Joe Schramm at 212-983-0219, jschramm@schrammnyc.com

For sponsorship opportunities, contact Jason Greenblatt at 917-281-4726, jgreenblatt@nbmedia.com

For registration inquiries, contact Jennifer Ware at 917-281-4718, jware@nbmedia.com

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MyTVChoice Takes a New Angle on Ad-Skipping

FLIPS TO 'SAFE' CHANNELS DURING ADULT-THEMED SPOTS

BY JEFF BAUMGARTNER

If you're a parent with a family that enjoys watching sports on TV, but doesn't want the children to be subjected to an onslaught of ads about a magic blue pill for men and other spots tailored for adult audiences, then a startup called MyTVChoice thinks it has an ad-skipping system for you.

Rather than skipping ads in recorded shows — the specialty of Dish Network's controversial AutoHop feature — MyTVChoice lets its users skip the ads of select live TV shows, including national broadcasts of National Football League, National Hockey League, National Basketball Association, college football and Major League Baseball games, as well as shows such as *American Idol*, *The Voice* and *Dancing With the Stars*. MyTVChoice also monitors regional televised sporting events in Boston and plans to add other regions, company founder and CEO Rich Theriault said.

TAKEAWAY

The "MyChoiceTV" product will allow viewers to skip adult-themed ads in select national sports telecasts.

MyTVChoice's system is capable of monitoring all channels, but to keep costs in check early on, its primary focus will be on sports, Theriault said.

The service centers on the MyTVChoice Gateway, a home-side, Wi-Fi-connected device/channel switcher that talks to company-operated, cloud-based servers that monitor broadcast TV feeds and uses special algorithms that are capable of detecting the start and end of commercials. The gateway itself is free, but the monitoring and channel-flipping component runs $9.95 per month.

Once the gateway is hooked up, the user taps into a mobile app to set up the system and to select the alternative channel to switch to during the commercial breaks. Once the advertising segment is over, the gateway automatically switches back to the original channel.

The Wi-Fi-powered MyTVChoice gateway helps subscribers avoid ads deemed to be family unfriendly.

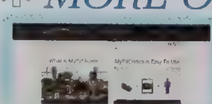
"It's done remotely, and the information is pretty accurate," Theriault said.

Dish's AutoHop is under siege by the broadcasters over copyright violation claims, but those same programmers so far have left MyTVChoice alone. Theriault thinks that's partly because MyTVChoice has but a few subscribers (he declined to disclose the number, but noted that service was introduced just a couple of months ago). He also argues that MyTVChoice's approach is perfectly legal from a copyright sense because the system does not manipulate TV content in any way.

"You would have to outlaw channel-switching," he said. "We don't touch the material ... we're not about destroying advertising."

MyTVChoice is currently selling its product directly to consumers via its Web site, but is working on retail relationships. Further out, Theriault would like to see his company's technology integrated with remote controls and smart TVs.

MORE ONLINE



Click through to learn more about MyChoiceTV at multichannel.com/Dec2.

Will CableLabs Cache In on Over-the-Top Video?

BY JEFF BAUMGARTNER

"Transparent" caching, an approach that can help cable operators manage the amount of strain put on the network by over-the-top, broadband-delivered video, has evidently reached the hallowed halls of CableLabs.

The cable-run R&D house is exploring interoperability specifications for transparent caching systems, according to Alon Maor, CEO and co-founder of Qwilt, a startup in the video-caching sector that counts Mediacom Communications as a customer, and claims to be working with two of the top five U.S. cable operators.

CableLabs did not comment on the status and scope of the project by press time, but the work would likely seek to produce a common interface that would allow operators to deploy transparent caching products from multiple vendors, including Qwilt and PeerApp.

Transparent caching systems, which place popular content from OTT sources such as Netflix and YouTube at the edge of the network, are growing in popularity among broadband Internet-service providers because they reduce transport costs and boost bandwidth efficiency. They could also eliminate the need for ISPs to deploy edge caches from Netflix and Google.

TRANSLATION PLEASE

Stick a Fork in It, 2013

With another Thanksgiving just behind us, it seems timely to pursue the theme that is "stick a fork in it." As in, it's done. Over. Kaput.

But first: None of what follows comes from a place of snark or malice. We live in agile times, and one of the adages of agility is "fail quickly." Failing quickly frees up resources for other stuff. So: This isn't personal. It's business.

Let's start with OCAP, the OpenCable Application Platform. A federally mandated middleware for cable set-top boxes, (what could possibly go wrong?), OCAP was/is the technical underpinnings of "Tru2way" devices — which the consumer-electronics industry unilaterally exited last year.

This year, as more operators sign onto or kick the tires of RDK — the Reference Design Kit — they're finding ways to maneuver away from OCAP. Technically, that means a different, more modular and open pipeline inside a set-top or gateway for things like tuner acquisition, closed captioning and linking in to such security mechanisms as conditional access.

And while it's almost never wise to stick a fork into an electronic device, we're sticking a collective fork into all hardware streaming devices that aren't Roku or Chromecast. Why? Between the two of them, and the fact that most HDTVs today come with built-in ways to connect to online video, it's game over.

Google TV, we're sticking a fork in you. In my little OTT video lab, we've loyally, doggedly fiddled with half of your 10 iterations (software and hardware) so far. And if it's true that your corporate culture expects nine failures for every one home run, then your long ball is Chromecast, the $35 doodad that turns an unconnected TV into a connected TV.

We're pre-emptively sticking a fork in Intel's OnCue video service, still rumored to be on Verizon's shopping list. Why? Intel's primary motivation, for pretty much everything it does, is to catalyze the need for faster chips.

Remember the very early days of cable modems? Intel was there, in a big way, with a modem it created — because it saw big things in that thing called The Internet.

Video is bigger and more computationally complex than most things on the Internet, so it makes all the sense in the world for Intel to be on the prowl. Verizon's intentions, should the rumor become reality, seem more wireless-focused than FiOS-focused. So maybe someday with our Verizon Wireless bundle, there's a video component. But it likely won't be called Intel OnCue. Hence the fork.

Again: None of this is necessarily bad news. Beginnings and middles usually have endings. Endings are educational, and almost always contribute to that thing that is wisdom.

Stumped by gibberish? Visit Leslie Ellis at *translation-please.com* or *multichannel.com/blog*.

Football, Pro and College, Lifts ESPN in November

'MNF' POWERS SPORTS NET TO PRIMETIME VICTORY

BY MIKE REYNOLDS

It's football season, so that means ESPN stood atop basic-cable's primetime ratings during the month of November.

Boosted by cable's top franchise, *Monday Night Football*, ESPN finished the period that spanned the Nielsen calendar of Oct. 28-Nov. 24 averaging 3.16 million viewers, up 3% from 3.08 million in November 2012 (Oct. 29-Nov. 25), according to a Disney Media Networks analysis of a blend of Nielsen live-plus-seven-day and same-day data.

Led by the 16.2 million who tuned in to the Chicago Bears-Green Bay Packers tilt on Nov. 4, the worldwide leader listed a quartet of *MNF* telecasts that finished among cable's top 10 programs in November.

College-football matchups, including the 5.76 million who watched Stanford upset previously unbeaten Oregon on Nov. 7, also lifted ESPN, which held more than a 1 million edge in average audience over its nearest November competitors.

FOX LEADS IN NEWS

Disney Channel, which scored 4.7 million viewers with the Nov. 24 debut of *Sofia the First: The Floating Palace*, was second for the month, averaging 2.09 million watchers, down 14% from 2.42 million a year ago.

Fox News Channel was third, easily outdistancing its news-sector competitors MSNBC and CNN. The news category's performance declined significantly from last year, when the 2012 presidential battle was in full swing.

Annual ratings leader USA Network was fourth for the month, garnering 1.96 million viewers on average, 27% fewer than its 2.7 million from a year ago.

AMC, lifted by *The Walking Dead*, rang up an 11% audience advance to 1.79 million viewers from 1.62 millio to complete the top five. The zombie series scared up the top two shows for the month — 18.6 million on Nov. 3 and 17.1 million the following week — and four of the top six.

Bolstered by "Countdown to Christmas," Hallmark Channel was sixth for the month, counting 1.78 million viewers on average, a 38% surge from 1.28 million in November 2012. The Nov. 10 and Nov. 16 presentations *A Very Merry Mix-Up* and *The Christmas Ornament* drew 4.75 million and 4.31 million viewers, ranking 25th and 38th among cable's top 100

TBS, still riding the benefit of *The Big Bang Theory*, was seventh with 1.76 million watchers, off 2% from 1.80 million in the corresponding year-earlier period.

Rounding out the top 10: History, down 13% to 1.65 million from 1.90 million; FX, flat at 1.61 million, with strong performances from *Sons of Anarchy* and *American Horror Story* that countered the migration of original fare to FXX; and TNT, which shed 7% of its average audience to 1.50 million from 1.63 million in November 2012.

The Nov. 4 Chicago Bears-Green Bay Packers contest, watched by 16.2 million viewers, helped drive ESPN to the top of November's primetime ratings.

November's Top 10 Nets, 18-49

A side-by-side look at the top-ranked cable networks among adults in primetime and total-day ratings:

TOP CABLE NETWORKS PRIMETIME

NETWORK	VIEWERS (000s)
ESPN	956
TBS	956
USA	852
FX	822
AMC	820
Discovery	612
A&E	598
History	595
ABC Family	575
Comedy Central	571

TOP CABLE NETWORKS TOTAL-DAY

NETWORK	VIEWERS (000s)
Adult Swim	664
ESPN	615
Nickelodeon	503
USA	469
Nick at Nite	449
TBS	407
FX	387
A&E	381
TNT	376
Disney Channel	370

Source: Nielsen data, based on preliminary live-plus-seven-day ratings for the period

Top 20 Cable Network Shows

Sports (primarily football) and one-hour dramas (primarily AMC's *The Walking Dead*) dominated cable viewing in the period by all ages 2 and up.

RANK	DATE	PROGRAM	NET	TOTAL VIEWERS (P2 IN 000S)
1	11/3	The Walking Dead	AMC	18,650
2	11/10	The Walking Dead	AMC	17,145
3	11/4	NFL: Bears-Packers	ESPN	16,170
4	11/18	NFL: Patriots-Panthers	ESPN	15,772
5	11/17	The Walking Dead	AMC	12,003
6	11/24	The Walking Dead	AMC	11,293
7	11/11	NFL: Dolphins-Buccaneers	ESPN	10,962
8	10/28	NFL: Seahawks-Rams	ESPN	10,822
9	11/21	NFL: Saints-Falcons	NFL Network	7,683
10	11/5	Sons of Anarchy	FX	7,456
11	11/6	American Horror Story: Coven	FX	7,369
12	10/29	Sons of Anarchy	FX	7,061
13	10/30	American Horror Story: Coven	FX	7,056
14	11/7	NFL: Redskins-Vikings	NFL Network	6,534
15	10/31	NFL: Bengals-Dolphins	NFL Network	6,516
16	11/14	NFL: Colts-Titans	NFL Network	6,421
17	11/7	CFB: Stanford-Oregon	ESPN	5,756
18	10/29	NBA: Bulls-Heat	TNT	5,398
19	11/4	SportsCenter	ESPN	5,312
20	11/11	SpongeBob SquarePants	Nickelodeon	5,186

SOURCE: Nielsen data based on P2 live-plus-seven-day ratings for 10/28-11/24, blended with live-plus-seven-day ratings from 11/11-11/27

Help Wanted

WADL DETROIT

WADL TV, a major market TV station in Detroit, is looking for a

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Preferred qualifications: terminal degree with national or international recognition in either the professional or academic community (10 years minimum). Candidates for contract faculty searches must have current authorization to be employed in the U.S. without employer sponsorship. For more information, please go to **www.bsu.edu/hrs/jobpostings**.

Ball State University is an equal opportunity, affirmative action employer and is strongly and actively committed to diversity within its community.

VOICES

THE BAUMINATOR JEFF BAUMGARTNER

CABLE WAS HIGH ON APPLE'S LATEST BUY Nov. 25

Apple's latest acquisition, PrimeSense, a startup that specializes in 3D sensor technology, caught cable's eye about four years ago.

Back in 2009, attendees at the annual CableLabs Summer Conference voted the chipmaker's 3D-sensing system as the "Best New Product Idea," recognizing its use of infrared cameras to enable TV viewers to interact with set-top boxes or televisions. The system, which can function as a virtual remote control, projects infrared light into a room and then detects distortions in the field to allow gestural controls.

The company has come a long way since; its technology now powers more than 24 million devices worldwide. One of its marquee deals involved an earlier-generation Kinect camera that powers the Microsoft Xbox 360, though Microsoft now uses its own sensor technology for current Kinect-enabled devcies, according to *AllThingsD*, which said Apple paid about $360 million to acquire PrimeSense.

Apple, meanwhile, has not said how it intends to use PrimeSense's technology, though obvious candidates would be to help power a new video user interface for a new standalone streaming device or that mythical TV that Apple is said to be working on.

For more from this blog, visit multichannel.com/Dec2.

MCN'S MOST READ

TOP ARTICLES ON MULTICHANNEL.COM, NOV. 20-27

1. Comcast to Introduce $1.50 Broadcast TV Fee
2. PlayOn Gets More Chromecast-Like
3. Comcast Previews 'X2' (Again)
4. DirecTV to Stream 30 Channels Out of Home
5. Comcast's 'Xfinity TV Store' Opens Door Online and on Set-Top Boxes

To read these stories, visit multichannel.com/Dec2.

Numbers

54%

Share of Americans surveyed who said advertisments on cable TV networks impact their holiday shopping.

SOURCE: Viamedia, "2013 Holiday Cable Advertising Study," Nov. 26

SAY WHAT?

"A joint deal takes away all the issues of the transaction — including regulatory concerns for Comcast — and it makes it easier for Charter to get some financing since it's not as large."

— Vijay Jayant, ISI Group analyst, in a Nov. 21 interview with Bloomberg, on Comcast and Charter's potential joint bid for Time Warner Cable (see Cover Story, page 8).

TUNED IN

BY LEO MICHAEL

TALKBACK

www.multichannel.com

Broadcasters Should Embrace Online Public File

(Re: "State Broadcasters Ask FCC to Defer Political File Posting Deadline," Nov. 23): "The FCC needs to ignore this request from broadcasters who, unlike cable and satellite operators, are specifically licensed to serve the public interest.

"Roughly 50% of all political ads go onto local TV stations, as most politics is local. (Presidential political ads do make their way onto national cable, but few others do.) It's a $3 billion industry; the least broadcasters can do is to make this critical juncture between money and democracy easier for the public (the true owners of the airwaves) to access.

"The broadcasters' main argument for denying easy access to the public files is that doing so somehow gives competitors an edge. But that rings hollow: Competitors have always been able to walk into stations to find the same information that is now going online.

"This is simple: Broadcasters do not want transparency. The FCC, however, should champion transparency on behalf of the public it is sworn to serve."

"SueWilsonReports"

Aereo Can't Punch 'Ticket'

(Re: "NFL, MLB to Supremes: If Aereo Wins, Broadcasters Lose," Nov. 21): "I call shenanigans on this comment: 'Create [an 'NFL Sunday Ticket'] package for free.' No, they cannot. Aereo geo-blocks access to the channels. A subscriber in Los Angeles cannot subscribe to New York stations.

"Aereo is helping to improve the coverage and portability of the local stations. I live six miles from the local NBC and Fox towers but cannot receive them due to terrain issues. There are many reception issues that are resolved by Aereo's product. The networks should be paying them for their service."

"rdehaven"

Twitterati

"A well-oiled machine there. I've always said so RT @Variety Alec Baldwin Ends MSNBC Show Amid Controversy" @KeithOlbermann, ***host of ESPN's*** **Olbermann** ***and ex-host of MSNBC's*** **Countdown,** ***Nov. 26, on MSNBC's decision to part ways with*** **Up Late** ***host Alec Baldwin***

"This is like Comcast owning (almost) the entire NFL package in the States." @gregobr, ***Greg O'Brien, editor and publisher of Canadian cable and telecom news site cartt.ca, Nov. 26, on Rogers Communications's 12-year $4.9 billion deal for exclusive National Hockey League media rights in Canada***

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For Kids, Second Screen Comes First

PICTURE THIS

R. THOMAS UMSTEAD
PROGRAMMING EDITOR

While the television screen is still the most favored way for young kids to view *Dora the Explorer* and *Doc McStuffins*, several recent surveys reveal that iPads, Xbox consoles and computers are quickly becoming more than a second screen to pre-millennials.

Right now, kids 8 and younger are big TV viewers: television use in that key demo is up 12% compared to nine years ago, despite the availability of alternative distribution technologies, according to Nickelodeon's recent *The Story of Me* research survey on post-millennials and their habits.

But a recent Common Sense Media report on children's media use also reports that for young kids, tablets, video-game consoles and computers are becoming as ubiquitous in the home as Barbie dolls and Lego blocks. The survey said 72% of children 8 and younger have used a mobile device for some type of media activity, such as playing games, watching videos or using apps. That's up from 38% just two years ago.

While game-playing takes up the most time on these devices, long-form content viewing among kids is increasing. More than half of kids with an Apple iOS device (iPad, iPhone) now use those gadgets to watch long-form content, a 23% lift over last year, according to Nickelodeon. That bodes well for companies like Disney Channel, Nickelodeon and Cartoon Network, which have launched TV Everywhere products targeted to post-millennials. But whether that will eventually undermine cable viewership has yet to be determined.

Further, when kids do sit down to watch TV, they're increasingly watching time-shifted content. Almost one-third of TV time of kids up to 8 years old is spent watching downloaded, streamed, on-demand or DVR content, according to Common Sense Media.

With over-the-top players including Netflix and Amazon doubling down on original kids'-targeted programming, that number is bound to increase over the next two to three years.

Cable may have the attention of toddlers today, but if the industry isn't careful, those same kids could grow up to become the first generation of mostly cable-nevers.

Will AMC Money Drive Malone's Deals?

ACCESS

SHADID KHAN
MEDIAMORPH

AMC Networks' planned $1 billion purchase of Chellomedia from Liberty Global will undoubtedly turn the mid-level U.S. cable-network company into an international content giant. At the same time, expect Liberty Global to become even larger.

In fact, by this time next year, Liberty may well become even a bigger player in the U.S. cable industry. (It already is the largest global cable operator, with 24.5 million subs, according to third-quarter earnings.)

Having an additional $1 billion on hand, combined with relatively favorable capital markets, can help accomplish that kind of thing — especially when such buying power is combined with the drive of Liberty chairman John Malone, as the once-and-future "king of cable" plots a U.S. expansion.

Earlier this year, Liberty bought a nice chunk of Charter Communications, the third-largest U.S. cable MSO. Since then, Malone — who sat atop the cable world as head of giant Tele-Communications Inc. from 1973 to 1996 — has been vocally calling for more cable consolidation. He's suggested, for example, that Charter could merge with No. 2 MSO Time Warner Cable and/or No. 4 Cablevision Systems.

The $1 billion from the AMC deal gives Malone additional resources to put his money where his mouth has been.

Let's look at some numbers from Leichtman Research. At the end of the second quarter, leading MSO Comcast had 21.7 million subscribers. Combined, TWC, Charter and Cablevision had 19.1 million. If Malone could control all of those three MSOs and also pick up a third or so of the 9.6 million subs now under the control of smaller MSOs, guess who's going to rule the cable roost once again?

Whether or not Liberty actually takes Comcast's position as the top cable MSO, Malone should at least obtain additional leverage across various cross-industry initiatives and/or negotiations with vendors and suppliers.

Those efforts are uniquely important because, while this allows Malone to continue to enhance his position in cable through acquisitions at a time when it may become increasingly difficult to grow the subscriber base by signing up more cable subscribers organically. That's because it's no secret that all cable MSOs — and satellite distributors DirecTV and Dish Network — are feeling the threat from such over-the-top cord-cutting enablers as Netflix, Hulu, Amazon and others.

The video-subscriber losses have been partially offset by the cable operators' efforts on the telephone and ISP sides. But with landlines declining, and PCs/desktops giving way to tablets and other mobile devices, the future of those businesses is also in question.

No doubt then that Malone wants to accumulate cable companies not for their traditional cords, but for their cordless potential. After all, for every series like Netflix's *House of Cards*, cable companies have dozens and dozens of shows to exploit — like AMC's *Mad Men*, *Breaking Bad* and *The Walking Dead*, for example. Cable operators' "TV Everywhere" efforts are allowing them to exploit their content relationships across multiple platforms.

In the end, AMC's infusion of such vital content may prove as crucial to the future of Liberty and Malone as its tantalizing $1 billion.

Shadid Khan is chairman and co-founder of MediaMorph, a provider of media workflow, data and analytics solutions.

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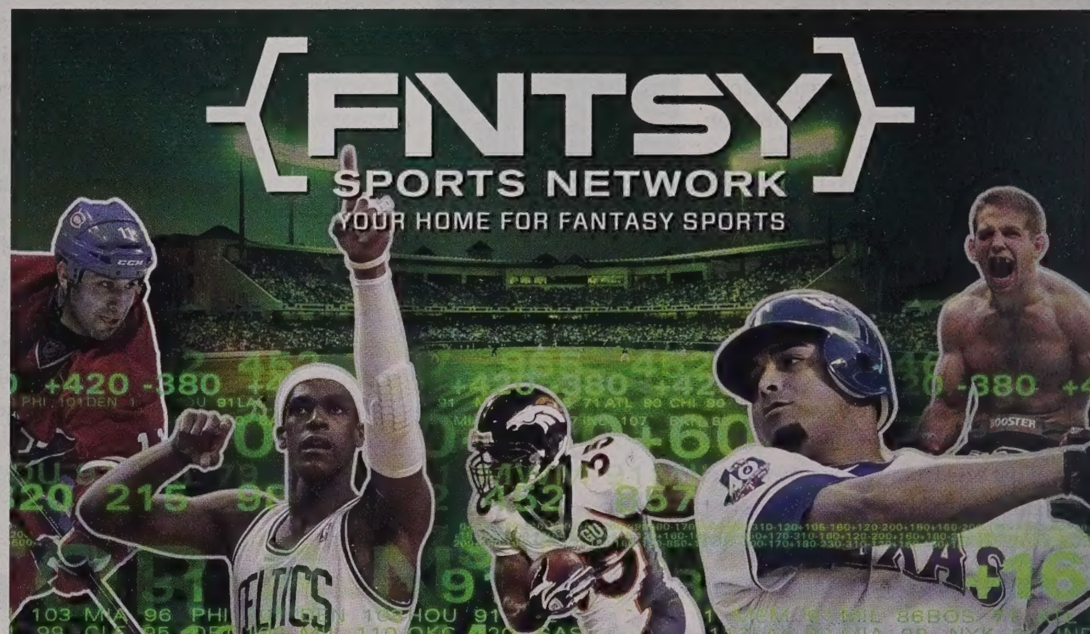
Fantasy Sports Network Will Be Reality In March 2014, Canadian Media Vet Says

Leaving no possible sports-TV opportunity untested, the owner of **The Fight Network** and **My Combat Channel** is making plans for a new channel to serve participants of fantasy sports leagues.

Leonard Asper, CEO of Toronto-based **Anthem Media**, received a license in Canada to start a fantasy-sports broadcast network, and he told The Wire he'll be starting **FNTSY Sports Networks** in both Canada and the United States next March.



FNTSY Sports Networks will become a reality in the U.S. and Canada next March.

He's pursuing carriage deals with U.S. multichannel distributors and Anthem has already acquired a pair of Web sites, **RotoExperts.com** and **SportsGrid.com**, to tie in with the channel and provide content.

Video-on-demand and streamed video programs are key components of the FNTSY plans, Asper said. "We don't need a big carriage deal to launch," he said.

A low carriage bar is a good thing to have, given how hard it is for networks to get added to cable, satellite and telco lineups.

"Linear-channel distribution is really, really difficult, between bandwidth crunch and cost," Bob Watson, a former **Time Warner Cable** programming negotiator who's now a consultant and president of **Watson Media Group**, told The Wire. Fantasy-sports content could help distributors with sports tiers, he said, but the concept might ultimately work best as an IPTV or online service.

Anthem Media's Leonard Asper

Asper — the former CEO of Canadian media conglomerate **Canwest**, which sold its broadcast assets to **Shaw Media** in 2010 — said he thinks "fantasy is the biggest opportunity of all."

Some 35 million adults in North America participate in fantasy leagues, in which teams are formed via drafts of players and compete based on those players' accumulated statistics. Football is by far the biggest fantasy sport (72%), according to surveys the network cited.

Fantasy-league participants are relatively affluent and spend a lot. Nielsen released a report last week that said fantasy football app users spent 2 hours 14 minutes per person, on average, on the smartphone apps in September, and fantasy players are 49% more likely than the average adult U.S. Internet user to have shopped online for beer.

Asper envisions studio and on-location shows related to major sporting events. Chris Doleman, a former National Football League defensive lineman, is on board for on-air and development roles.

Asper said the network will be a combination of CNBC and CNN for fantasy sports, with some reporting, "a lot of predictions" and on-air personalities.

Anthem Media also is a part owner of **The Pursuit Channel**, an outdoor-sports outlet, along with **The Fight Network**, which broadcasts in Canada and recently launched in Belgium on **Liberty Global**-owned **Telenet**, and **My Combat Channel**, carried on **Grande Communications** in Texas.

At Canwest, Asper was involved with channel launches in Chile, Ireland (TV3) and New Zealand. Canwest also was part owner of Canadian versions of **Scripps Networks' HGTV** and **Food Network**, and Asper sees Food's passionate audience bases on TV and online as forming a template for the fantasy-sports channel.

Anthem currently programs 30 hours per week on the fantasy sports channel on **Sirius XM Satellite Radio**.

Along with the many sports networks already serving up fantasy-league fare, potential competition could come from another fantasy-sports network with launch plans.

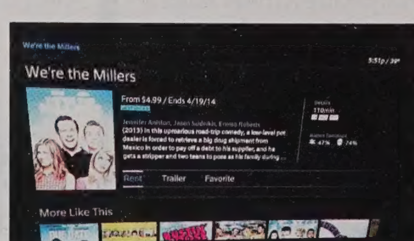
Fantasy Sports Zone TV, backed by former **Paxson Communications** top executives **Steve Friedman** and **Jeff Sagansky**, also would target 35 million fantasy-sports players, with 3,000 hours of original programming in sports ranging from baseball, football, basketball and NASCAR to hockey and golf, they said in a news release on Nov. 5.

The Wire attempted to reach the other channel's backers for more information about those plans, but they declined comment.

— Kent Gibbons

Semi-Unofficial Peek At Comcast's X2 Had Official Comcast Feel

Comcast still hasn't revealed a launch date for X2, the upgraded, multiscreen-capable follow-on to its X1 platform, but the operator has been giving observant customers an early taste of a user interface that promises to provide more personalized features.



DSLREPORTS.COM

A screen shot of the "leaked" X2.

Offering a hint that Comcast is closing in on an official debut of X2, the operator recently leaked a sequence of letters and numbers that existing X1 subscribers can input into their remote controls to pull up an early build of the new set-top interface and take it for a test drive.

Perhaps calling it a "leak" isn't quite the right description. In fact, a degree of encouragement was involved, as none other than **Sree Kotay**, Comcast Cable's senior vice president and chief software architect, tweeted this quasi-cryptic message to his followers on Nov. 20: "Have Comcast Xfinity X1? Try hitting exit-exit-exit-X-T-W-O (#shhhh....)."

Several users took Kotay up on the offer and posted their findings on the **DSL Reports** message boards; the reviews of the latest test rendition of X2 were relatively positive.

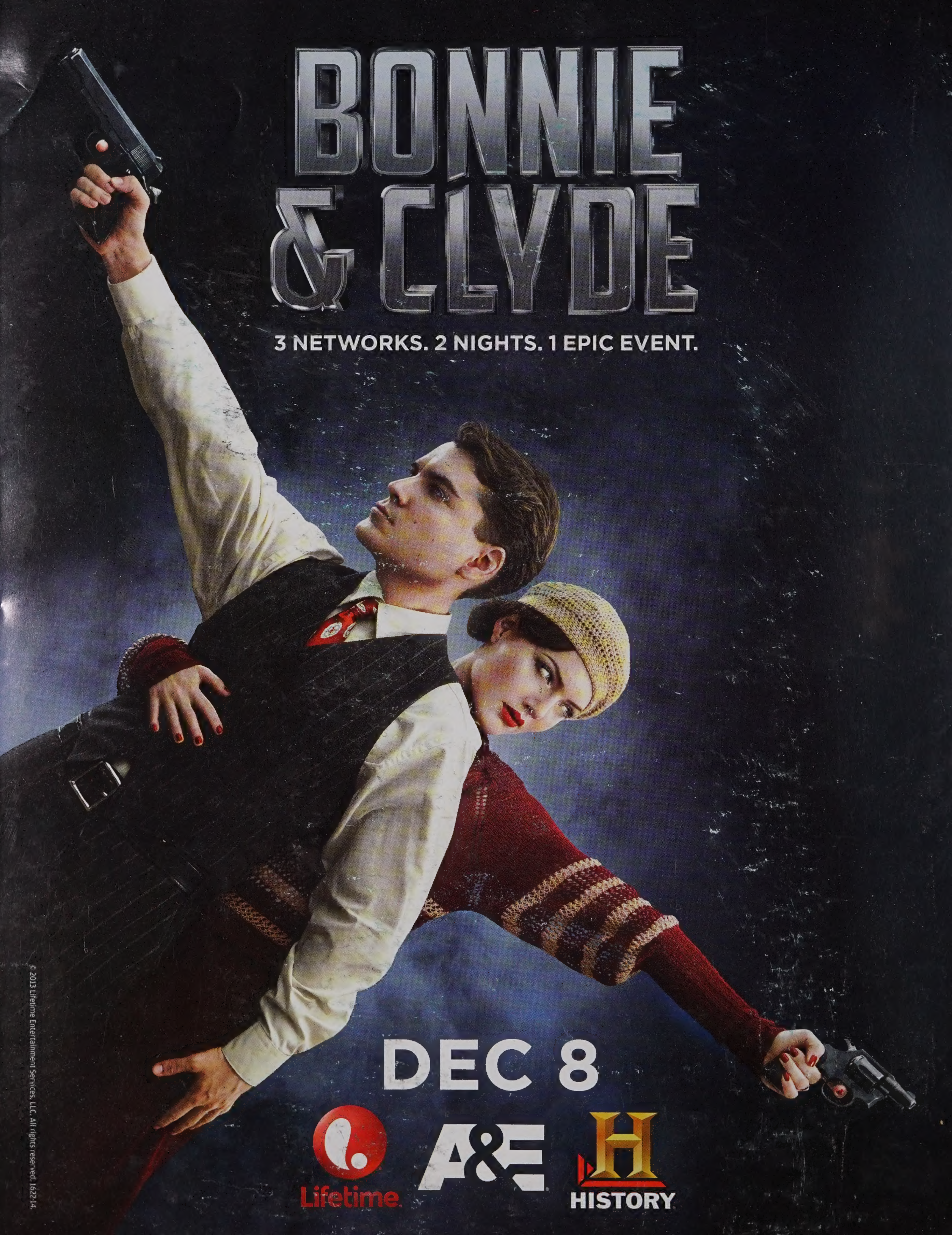
"Much smoother than before! Some new features too," wrote "JeepMatt," a Comcast subscriber who evidently resides in Wilmington, Del.

It's not the first time Comcast has given X1 subs a preview of X2, inadvertent or not. Back in October, customers got access to an earlier build of the new UI by pressing a different special code on their remotes, a move that seemingly shows off the agility of Comcast's new cloud-based approach.

And if you give much credit to what's posted on message boards, X2's initial rollout could be just days away. Posting on the "Official X2 Beta Thread" on the Comcast boards, user "andrew.lindsay" proclaimed that the "X2 interface will be rolled out on new installs between Dec. 4-10" and that some Comcast customers will be invited to use the new UI via e-mail.

Comcast didn't respond for comment on that one by The Wire's deadline. But we'll keep our eyes fixed on the Twitter feed for any more X2-related "leaks."

— Jeff Baumgartner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